

Annual report and accounts 2023-24

For the period 1 April 2023 to 31 March 2024

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Transport Focus is the operating name of the Passengers' Council. It is the independent consumer organisation representing the interests of:

- rail passengers in Great Britain
- bus coach and tram users across England outside London
- all users of England's motorways and major 'A' roads (the Strategic Road Network). We work to make a difference for all transport users.

Section 1

Chair's introduction

Transport Focus is the voice of transport users. It uses multiple data sources to create insight which helps to drive improvement across road, rail and bus. This year the transport user faced exceptional challenges including poor performance and industrial action on the railways, continued reductions in the national bus network and deteriorating satisfaction with the quality of road surfaces on the strategic road network. In the face of cost of living pressures, Transport Focus welcomed Government action to implement below-inflation train fare increases and the continuation of the £2 fare initiative on buses in England.



A very significant activity of the year was the train companies' consultation on changes to ticket office opening hours. We worked with London TravelWatch on this complicated set of proposals, as we both have a statutory role to seek comment and offer a formal opinion on any changes. The public response was unprecedented with over 750,000 communications. Managing this response was a significant undertaking for both organisations and we were grateful for the additional funding provided by the Department for Transport to support this work. The consultation generated some excellent insight, particularly relating to the needs of some minority groups. Our published opinion supported the principle of redeploying ticket staff where appropriate but only once important mitigations were put in place, in particular for improved ticket vending machines and standardised welcome points. Following publication of our opinion the Government instructed train companies to halt the project for no ticket offices to close citing the need to meet high standards expected by passengers. Notwithstanding this decision, we welcome the use the sector is making of the insight and analysis the process provided.

Another major development was the rolling out of our new, landmark bus passenger survey *Your Bus Journey* in England and Scotland. It is an important tool for enabling transport authorities and bus operators to identify where to focus their efforts to ensure they provide a good passenger experience. We welcome the use the sector is making of the insight and analysis we have developed and the survey's extension in Wales during 2024.

We contributed to many other strands of activity during the year such as the cross-organisational discussions on the development of rail reform plans and the National Rail Accessibility Strategy. Our role in participating in bodies that make decisions on bus use continue to bring benefits to bus passengers. For example, in Norfolk we chair the Enhanced Partnership board where the County Council and bus operators worked to deliver a 16 per cent increase in passenger numbers. And we helped the Great British Railway Transition Team to develop passenger-focused strategies through an online community and workshops to test ideas.

Transport Focus initiated a 'reset' process for the organisation in 2022-23, aimed at making Transport Focus an even more effective, agile and impactful voice for the transport user. The Board has now approved a new and very different Business

Plan. It encourages a greater focus on achieving immediate benefits for the transport user both by mode and, increasingly, from an end to end journey perspective.

During the year, we said goodbye to Anthony Smith who led Transport Focus successfully for almost 24 years and welcomed a new chief executive, Alex Robertson, who joined in December. We also saw the departure of two non-executive directors Theo de Pencier and Arthur Leathley and welcomed Tricia Hayes CB. We wish the very best and thank those departing and welcome Alex and Tricia.

The year ahead will be equally challenging as Transport Focus delivers on its Business Plan and focuses on some of the immediate issues facing the transport user, such as disruption management on the railways and the reliability of the road network. Transport Focus looks forward to working with all the transport community in improving the transport user experience in the year ahead.

Nigel Stevens
Chair

Chief executive's report

I took over as Chief executive on 1 December from Anthony Smith who was generous in sharing his knowledge and experience with me as he handed over the role.

Transport Focus carries out high-quality user research and is a respected participant in discussions about how to improve transport at every level, from the local to the national. The work in this Annual Report reflects that research and dialogue, and there is much to be proud of.



Since I joined, I have been working with our newly formed Senior Leadership Team to develop a three-year Business Plan and reorientate the organisation in support of it. The Business Plan was approved at our March Board meeting and sets a new direction for the organisation, building on the organisation's strengths while recognising there is more we can do to have an impact on transport users.

We are an organisation whose effectiveness depends on maintaining strong relationships with its stakeholders – it is through our influence that we have impact.

I am excited about the opportunities ahead and look forward to working with many of our stakeholders across England, Scotland and Wales to deliver an improved transport service for the people who rely on it.

Alex Robertson
Chief executive

Section 2

Making a difference for transport users

2.1 Introduction

2023-24 was characterised by poor performance on parts of the rail network. This was compounded by industrial action as well as weather impacting transport services. Specific national events required particular management of the transport system: the Coronation and Eurovision. We played our part in ensuring transport users' needs were considered.

2.2 Rail

Managing disruption

We continued to monitor the passenger experience through the different types of disruption – planned and unplanned – and pressed for improvements. This focused in particular on assessing the information provided to help passengers manage their disrupted journeys. For example, we acted as a 'critical friend' to the TransPennine Route Upgrade programme to ensure a better passenger experience.

On industrial action, for example, we monitored passenger awareness of affected services and also information about ticket refunds. We fed back the results to the train operators affected and encouraged improvements. Generally, where clear information is provided in good time about strikes, passengers better understand what the impact on them would be. When the results were particularly poor, though, we wrote to the Rail Delivery Group (RDG) pointing out where improvements could be made.

The provision of rail replacement buses during planned rail closures enables passenger to travel. There had been problems in sourcing buses for this purpose resulting in no replacement services being provided or long waits for passengers. We have been pressing for the monitoring and publication of data on whether the bus services actually ran to provide some transparency.

The East Coast Digital Programme will result in disruption for passengers on that line. But what information do they want? Our research found that passengers were mainly interested in knowing how the work would impact on their journey but some also wanted to understand the reason for the disruption.

Scotland was the first Network Rail route to recruit and deploy people with a meteorological background to railway operations. They help Scotland's response to extreme and adverse weather such as advising on the location of emergency speed restrictions, that can be triggered by an extreme weather forecast. Alongside this, we helped Network Rail Scotland consider how passenger information can be improved when making these operational decisions.

On some occasions, train companies issued 'do not travel' warnings to passengers during extreme weather yet continued to run trains. We researched passengers' views on this scenario and found it caused annoyance. They would prefer to have

the relevant facts in order to make up their own minds about whether or not to travel. We have been working with train companies to improve this.

Performance

Certain parts of the railway network continued to be affected by poor performance. Our *Rail User Survey* continued to measure passenger experience every fortnight asking passengers about their most recent journeys to see overall trends. This enabled us to compare the individual performance of different railway companies. Avanti's performance, for example, has been particularly variable during the year, the survey highlighting a particular issue with punctuality and reliability.

Transport for Wales (TfW) has been going through a transformation. However, a series of challenges with its fleet and extreme weather have impacted performance. It brought down passenger satisfaction particularly with punctuality, value for money and crowding. We raised concerns with TfW and encouraged them to produce action plans. We also liaised with the Senedd and the Office of Rail and Road (ORR) on their investigation of Network Rail performance. More recently, passengers have been welcoming the wider introduction of new trains, providing much-needed capacity and addressing cancellations. Evidence of a recovery has been reflected in our rail survey with improvements in satisfaction with all aspects of the journey. We continue to work with TfW and Network Rail as they put passengers at the heart of rebuilding service reliability and passenger trust.

Short-formed trains on Great Western Railway (GWR) services, including local and high-speed, were resulting in many overcrowded trains. We wrote to GWR asking about the cause and urging them to be transparent about the problems they were facing. We continue to liaise with them about solving the root causes of them.

It is important to have transparency about the number of trains removed from the timetable in advance which then don't count as cancellations in published statistics. We wrote to the RDG asking it to introduce a consistent way of reporting the so called 'P Code' cancellations on train company websites. This now happens.

Train company delay repay schemes provide rail passengers with compensation for delays to their journeys. Since 2016, we have conducted surveys into the take up of schemes for DfT. We have seen improvements in take up from 35 per cent in 2016 to 47 per cent in 2023. But half of those eligible are still not claiming, particularly those who have faced delays between 15 and 29 minutes.

A system of penalty fares operates on some parts of the railway when a passenger fails to travel with a valid ticket. Passengers have the right to appeal against the issue of a Penalty Fare Notice at different levels or tiers. The third tier includes a Panel of three people. To ensure independence in the process, Transport Focus recruits Panel members. We ran the recruitment process for new Panel members and 15 were appointed.

We continue to liaise with ScotRail over recent timetable changes and urged them to engage with passengers and potential passengers through public consultations on changes to Ayrshire, Fife, Inverclyde and Tay timetables.

We also responded to London and North Eastern Railway's (LNER) proposed timetable change in Scotland where two direct services to and from Glasgow Central

and Stirling would no longer feature. This raises the question of direct services versus connections. When implementing the proposed change, we recommended consideration be given to improving the experience of changing trains at interchange stations.

Reform to the railway

The structure

Reform to the structure of the railway has yet to come to fruition since the publication of the *Plan for Rail* in 2021. The Government published their draft Rail Reform Bill towards the latter end of the year which was to undergo parliamentary scrutiny by the Transport Select Committee. This was a significant step towards reform. We will continue to judge any plans on the basis of ensuring passenger interests are at the heart of the changes and await the eventual passage of legislation through Parliament.

To help the future reformed railway to focus on passengers' needs, Transport Focus ran a customer community for the Great British Railways Transition Team (GBRTT). Members of the community completed online tasks and attended workshops in Manchester and Birmingham, enabling GBRTT's ideas and products to be validated and challenged by passengers. GBRTT found the resulting insight an important way of helping them develop their future strategies and has become integral to their way of working.

Ticket office proposals

In July, 13 train companies consulted on their plans for changing ticket office opening hours in England which would have resulted in the closure of many of them. Under the Ticketing and Settlement Agreement, Transport Focus and London TravelWatch receive responses from passengers about any such changes. Given the scale of the changes, we and London TravelWatch received more than 750,000 items in response. It became clear with this unprecedented level of response that the two organisations needed longer for processing and analysis than initially allowed. The original three-week deadline for our response was therefore extended with additional funding from DfT.

We conducted in-depth analysis of the train company proposals using our criteria (drawn from the Secretary of State's guidance) and passengers' responses. Our criteria included such factors as the ease of buying a ticket, ease of getting assistance to travel, availability of information to plan and make a journey as well as feeling safe.

The top three issues in passengers' responses were concerns over the ability to buy tickets in future (including difficulties in using Ticket Vending Machines), the provision of information needed to plan journeys (including during periods of disruption) and how passengers requiring assistance would receive help and support.

We liaised with the train companies and some – for example GWR and TransPennine Express (TPE) – made significant improvements such as reinstating existing staffing hours, promising extra facilities to sell all ticket types and cope with cash payments and refunds.

We supported the principle – if done well – of redeploying staff at ticket offices to improve the overall offer to the passenger and recognised the need to find new cost-effective ways of working under extreme financial pressure. But, ultimately, our major concerns were:

- ‘Welcome points’ – a new concept proposed by some companies during the consultation, needed more consideration, piloting and input from disability groups in particular
- The need for a new formal measurement to monitor and assess queuing times at ticket machines. This would ensure there is a formal mechanism to review the number of sales and, if projections were wrong, to increase retail capacity
- Ensuring consultation for any future changes through amended regulation – to alleviate respondents’ concerns about staffing protections.

The proposals were ultimately dropped, but the data gathered and our analysis are rich and important resource of passengers’ views about ticket offices. This data and analysis are now being used by the industry.

Rail fares

While fundamental reform to fares and ticketing awaits the broader changes to the railway, there have been some developments. LNER introduced a demand-based pilot for journeys between Kings Cross and Newcastle, Berwick and Edinburgh. Pilots are helpful in understanding the impact of such changes on different types of passengers as well as informing future reform. And we will be monitoring how the pilot is working. We have urged LNER to publish key information such as the average fare paid per passenger.

We welcomed the ScotRail peak fare removal pilot which aimed to make ticketing simpler with off-peak fares valid all day. It is geared to encourage more people to choose rail. The Scottish Government will carefully consider the impact of the pilot and the long-term sustainability of such a proposition before committing to reinstating the pilot once it ends.

Rail contracts and direct awards

New contracts or awards granted to train operators provide the opportunity for us to influence the service specifications from the passenger perspective.

We provided passenger input to the teams working on the direct awards for Cross Country and West Coast Partnership, sharing intelligence and our insight with them. With Cross Country, we emphasised the problems with overcrowding and the need to expand the train fleet as soon as possible. The DfT has subsequently announced improvements which should increase capacity on key routes.

Our insight tells us that passengers care about cleanliness, especially on trains. To understand this in greater depth, we worked with the DfT to examine what it is about cleanliness and personal security that creates a lasting memory for a passenger. This is being used to help the rail industry focus on what really matters when it comes to cleanliness, maintenance and personal security, so providing a better passenger experience and higher satisfaction levels.

Rail complaints

Passengers complaining about their journey normally approach the train operator first and then the Rail Ombudsman. If the matter is outside the Ombudsman's remit, the complaint passes on to Transport Focus. The favourable outcomes we achieve are the result of negotiation, challenge, knowledge and persuasion.

We received 1,799 contacts from passengers and raised appeals in relation to 919 of them. We achieved an improved outcome or provided more information for passengers in 85 per cent of cases. We achieved financial awards of nearly £9,000 on behalf of passengers last year. Northern (269) and Trainline (163) represented 47 per cent of the appeals we raised (see table 1).

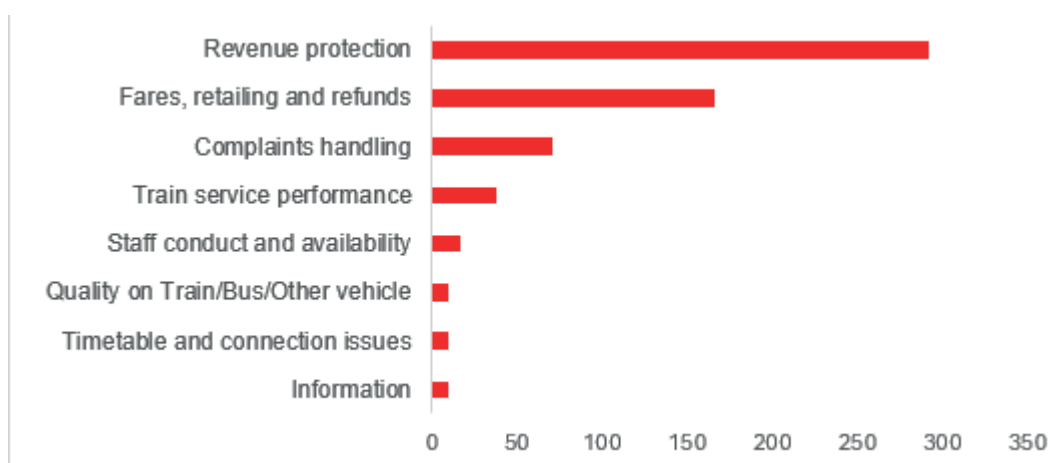
Table 1. Breakdown of incoming complaints by organisation

Train operator or retailer	Resolved complaints
Northern	216
Trainline.com Ltd	114
Railcards	87
TransPennine Express	60
South Western Railway	57
Merseyrail	43
Southeastern	40
West Midlands Trains	39
Great Western Railway	37
Greater Anglia	31
Govia Thameslink Railway Limited (GTR)	27
East Midlands Railway	20
Avanti West Coast	18
Chiltern Railways	13
Transport For Wales Rail Ltd	12
CrossCountry	9
London North Eastern Railway	8
Metro Link	8
SWR	8
Thameslink	8
Southern (GTR)	7
Trainpal	7
Transport Focus	5
Great Northern	4
Trainsplit	4
c2c (use for CW)	3
IRCAS	3
London Northwestern Railway	3
National Rail Enquiries	3
Nexus	3
ScotRail (Abellio)	3
Caledonian Sleeper	2
East Coast Trains Ltd (Lumo)	2

Omio	2
Seatfrog	2
Supertram	2
Transport for Greater Manchester (TfGM)	2
Tyne and Wear Metro	2
Department for Transport	1
Interrail	1
Independent Penalty Fares Appeal Service/Independent Revenue Collection and Support Service	1
Network Rail	1
Statesman rail	1
Total	919

We received the most complaints about penalty fares (269) and fares, retailing and refunds (163) (see table 2).

Table 2. Complaints by reason



Examples of complaints:

Greater Anglia (GA)

Ms A was unhappy that GA hadn't allowed those without internet access to use their 'Hare Fare' promotion despite having previously said they'd consider it. As Ms A couldn't buy these cheaper tickets she came to Transport Focus for help. On appeal, GA advised that promotional tickets can be bought through their telephone sales team but the number isn't clear in their literature. We asked for the number to be more prominent in their promotional material which they agreed to consider for future campaigns.

TransPennine Express (TPE)

Mrs T had been making numerous delay repay requests from TPE which had not been paid. She asked Transport Focus for help and provided evidence of all her claims and an outline of her concerns. We took this up with TPE a number of times as Mrs T was not satisfied with the responses. TPE agreed

that Mrs T should be paid for all of her outstanding claims and asked if they could liaise with her directly. Mrs T agreed and thanked us for our intervention.

Some passenger feedback about our service:

'My case worker was very helpful in chasing up my query, keeping me informed (even just to let me know that she was still awaiting a response and was pursuing Avanti for one) and ultimately managed to get the matter resolved.'

'The service provided by my caseworker was great - professional, courteous and supportive. I had been struggling to obtain support from both Northern and Passenger Services, and so was incredibly grateful to find this support through Transport Focus.'

Some highlights of 2023-24

- **Helping develop a passenger-focused Great British Railways Transition Team (GBRTT)** – we worked with GBRTT on a community of rail for twelve months users – both online and at a workshop - to help them develop a passenger perspective in their future strategies. It enabled GBRTT to test out many of their ideas with passengers themselves to (page 8).
- **Ticket offices** - the team rigorously analysed the train company proposals in England. The 750,000 public responses to them resulted in identifying three significant concerns: the ability to buy tickets in future; information needed to plan journeys; how passengers needing assistance would receive help and support. The analysis is a useful resource of passengers' needs at stations and is being used by the industry (page 8).
- **Improving take up in delay repay rail compensation** – We surveyed passengers for the Department for Transport to assess this take up. It has improved from 35 per cent in 2016 and 47 per cent in 2023. However more needs to be done to get those who do not claim to do so (page 7).
- **Your bus journey** – our new landmark survey - launched in March 2024 - is already helping transport authorities and bus operators improve the bus passenger experience in England. This includes an increase in passenger numbers in areas such as Norfolk, the North East and Cornwall (page 14).
- **Informing the decision for a £2 bus fare in England** - our insight highlighting that the £2 bus fare encouraged more people to use the bus, helped inform the government's decision to maintain it (page 14).
- **Motorway Services User Survey** - the survey has seen some marked improvements in overall satisfaction from 62 per cent in 2017 – its first year - to 84 per cent in 2023 (page 15).
- **We launched two new transport user surveys –**
 - **EV charging survey** to assess how satisfied people are with charging facilities on National Highways roads (page xx).
 - **Lorry drivers experience of facilities** on motorways and major 'A' roads (page 17).

2.3 Bus

We published the first results of our new bus passenger survey *Your bus journey* (YBJ). It highlights where the investment in the National Bus Strategy in England is achieving its objectives. YBJ is a benchmark survey for local transport authorities and bus operators to drive improvements by focusing attention on where they can improve the passenger experience.

It measures experiences on board the bus, at the bus stop, value for money and passenger experiences of the driver. It is 'always on' so authorities and operators can access the data at any time. The first survey gathered feedback on around 35,000 journeys in England and 3,000 in Scotland and will be the benchmark for future years. The headline overall satisfaction score was 80 per cent for areas surveyed in England.

We have worked with a number of authorities (page 20) – on their Board or relevant committee – to encourage improvements. Positive results have included increased bus use. In Norfolk, for example, we chair the Bus Enhanced Partnership Board. Using this data, we helped the County Council introduce greater bus frequency, more regular services, a flat fare of £1.50 and bus priority measures. After the introduction of these measures, they saw a 16 per cent increase in bus passengers.

The survey was published at an event in Newcastle-upon-Tyne in March along with participants from the DfT, transport authorities, bus operators and others. During 2024-25 we will publish the results for Scotland and develop the survey in Wales. Next year's survey will enable comparisons to be made between the two years, as well as publishing in Scotland and rolling out Wales.

Encouraging bus use

Early in the year we repeated research about the changing use of buses post Covid to understand what might encourage those who hadn't returned to do so. We found that concessionary bus pass holders who used to use the bus but had not returned at all or were using it less. Most non-bus users found the bus too inconvenient and the journey too long. Many preferred to travel by car. But they would be encouraged to travel by bus if they were more frequent, went where they wanted to go or were more reliable. This insight was fed through to inform DfT's bus policy for England including the retention of £2 cap on fares. This certainly had an impact in encouraging some to use the bus more by improving value for money.

As a member of the Bus Centre of Excellence Advisory Board, we have been sharing best practice gathered during our work on Enhanced Partnerships in England and our catalogue of passenger and non-user research so it is available to the sector.

2.4 A more reliable strategic road network in England

The effective management and operation of National Highways' roads with a user focus is crucial to the success of this important network for the nation. We assess users' views of different aspects of these roads and feed results back to both National Highways and DfT. One element is the five-yearly investment programme, the next one being the Road Investment Strategy for 2025-30, due to be published in

2024-25. With this evidence, we have been working to ensure that this spending reflects users' priorities.

Strategic Roads User Survey 2023-24

This survey, conducted throughout the year, shows how satisfied drivers are with their journeys on National Highways' roads. The target set for them by the DfT until March 2024 is 73 per cent and performance in the 12 months to February 2024 was 71 per cent. We help National Highways to focus on actions it can take to improve journey satisfaction.

Other insight shows that road users' top priority for improvement on National Highways' roads is improved road surface quality. As well as influencing the high-level priorities, we work with National Highways on a regional basis to point out issues of concern to road users. For example, we identified very poor road surfaces on two places on the M6 and M62 in the North West. As a result, National Highways are committed to spend £9 million on resurfacing work to rectify this.

Coach and freight business users

These businesses rely on our motorways and major 'A' roads to transport people and freight. Their perspective on them is important including to the economy. Our assessment of their satisfaction with these roads - 51 per cent - was disappointing, albeit higher than 46 per cent in 2021-22.

Motorway Services User Survey (MSUS)

We started surveying users' satisfaction with motorway services areas (MSAs) in 2017. This has included overall satisfaction and of individual features such as the facilities for disabled users, the toilets, and value for money of food and drink. The survey aims to drive improvements for transport users by pointing to the comparable results. Over time, we have seen an improvement in overall satisfaction from 62 per cent in 2017 and up to 84 per cent in 2023. However, there is still room for improvement such as with facilities for disabled users and value for money for food and drink. This year the survey was launched at Extra's Leeds Skelton Lake services, with representatives of most MSA operators attending.

Smart motorways

Following a recommendation from the House of Commons Transport Select Committee in 2022, we worked with the DfT and National Highways to gather and publish insight about drivers' perceptions of safety on smart motorways. Unsurprisingly, the underlying concerns related to the lack of a hard shoulder. For some this was in addition to a feeling of being less safe on any motorway. Our insight suggests that if National Highways is to change this perception, it needs to focus on awareness, trust and education.

EV charging survey

We launched our new survey of users' experience of charging electric vehicles on National Highways roads. We partnered with ZapMap (which helps EV drivers locate their nearest charging point) to ask drivers about their experiences. Our initial results showed overall satisfaction was 67 per cent, with 81 per cent being satisfied with how straightforward it was to start charging. Meanwhile, only 37 per cent were satisfied that they had value for money.

Riders, walkers and wheelers

In addition to users of motorised vehicles, we consider the experiences of those who walk, cycle, ride on horseback or wheel on or across National Highways' roads. This year we carried out research in the East of England where these road users highlighted safety issues, potholes, debris and encroaching vegetation. We have, for example, recommended that National Highways erects barriers along particularly busy roads, improves the maintenance of paths and provides more joined up paths.

The Dartford crossing

We piloted a new survey looking at drivers' experience of using the Dartford Crossing, including the payment processes. Those surveyed were generally happy overall although less so with the tunnels compared to the bridge.

Accessibility on transport

Much of our focus on accessibility in rail was on the ticket offices consultation (page 8). However, we also responded to DfT's consultation on design standards for accessible railway stations. We highlighted, for example, the absence of any guidance on dementia-friendly flooring and the need for lift availability when stations are unstaffed.

2.5 Supporting the delivery of the organisation's outcomes

Insight

The cornerstone of our work is measuring the user experience across modes within our remit. We continue to refresh our insight and adapt our methods to extract maximum information and value from our data as we can. We use digital data collection methods for speed and cost-effectiveness but aim to accommodate those who are unable or prefer to give their views in other ways.

We have continued to measure satisfaction among transport users:

- **Bus passengers:** Building on the success of the previous Bus Passenger Survey, the first year of *Your Bus Journey* was completed and launched (page 14) in March. It replaced the Bus Passenger Survey which was operating before Covid and our interim Bus User Survey.

We gathered the views of more than 35,000 bus users in England and 3,000 in Scotland. 75 per cent of passengers completed the survey online and 25 per cent on paper. We now collect data throughout the year (as opposed to the autumn only), with regular feedback to funders of verbatim comments and topline results via an online dashboard. The fieldwork for the second year is underway with new funders having joined.

- **Rail passengers:** We continue to work with the rail industry to develop the methodology for an industry-wide rail experience survey. Meanwhile, we produced monthly headline reports of rail user satisfaction data, the *Rail User Survey*. The data is used to produce twice-yearly train company level reports.
- **Road users:** We continued to run our well received Strategic Roads User Survey, our Motorway Services User Survey and our Logistics and Coach Survey. Additional analysis is on the datahub.

We continued to measure the experiences of lorry drivers when they use truck stops and motorway services. Following a successful pilot, we have conducted the first year of fieldwork with results due in 2024-25.

The research looking at the experience of EV users when they charge their vehicles on the strategic road network was completed. We are assessing how to take this survey forward.

We have continued our 8,864-member Transport User Panel using it for our own intelligence and to assist partners.

Staff

During the year we developed a new Business Plan for the three years from 2024-25 to deliver the revised strategic objectives set by the Board. As part of this, we established a more streamlined senior leadership team, with two new directors (Natasha Grice and Louise Collins) joining the two current directors (Nigel Holden and David Sidebottom). It is led by Alex Robertson, who took over as our new chief executive in December.

We consulted on a new organisational structure focused around these new positions. The consultation has created uncertainty for some staff with some roles ending and new ones being created. Staff have engaged positively in the consultation and a new structure will be in place early in 2024-25 to help deliver the new Business Plan.

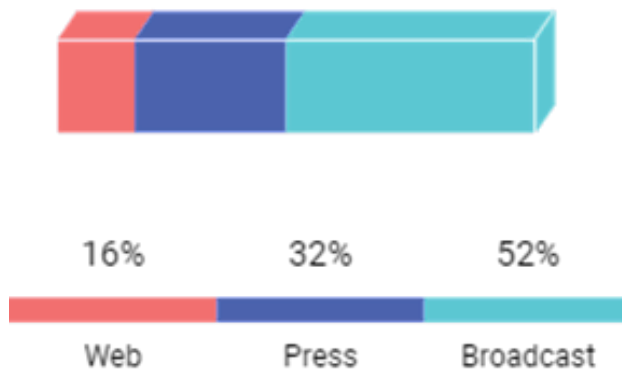
Communications

We deliver a diverse range of communications activities including the engaging with the media, social media, managing the website and issuing a monthly stakeholder newsletter. We provide a 24/7/365 media response service, answering 205 enquiries during the year. This included requests for interviews and reactive and proactive written statements for the media on issues, policy and events. We had various activity on our social media channels (X/Twitter and LinkedIn).

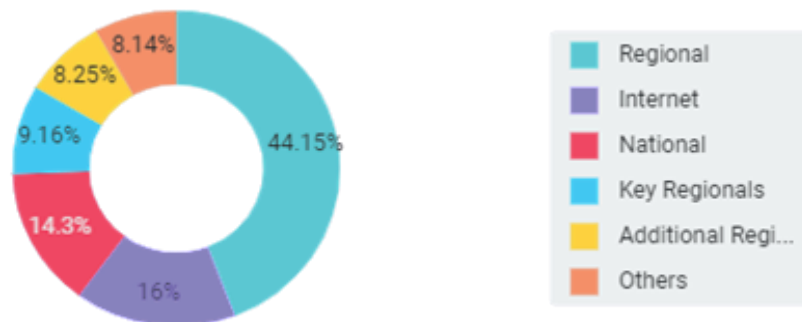
We have continued to publish our research and insight reports and have made our website more accessible. We promoted our Board meetings in public, extending their usefulness by posting clips after the events.

- **Media coverage:** We achieved more than 1769 items of coverage including a heavy skew to broadcast and regional media.

Graph 1: Split of media coverage by media channel



Graph 2: Split by media coverage by type



- **Our audience:** Over the past year our audiences and stakeholders had more than one billion opportunities to see news about Transport Focus across multiple media channels.
- **Monthly e-newsletter** Transport User Voice reached around 6540 subscribers with an average engagement rate of around 9.5 per cent (an increase from 2022-23).
- **Reports:** We published 90 reports of our world-class insight on our website, working to improve their accessibility.

Some notable activities include:

- **Ticket office consultation:** This generated 900 items of media coverage and interest in both national and regional press. The final publications were produced in a range of documents and accessible formats.
- **Your Bus Journey (for England)** - The final 2023 survey report was launched at an industry event in Newcastle-upon-Tyne and generated substantial media interest including:
 - An average of 3.5 hours of interviews across 20 broadcast outlets

- More than 1.5m viewers watching BBC News and BBC Breakfast tv
 - A possible 7.3m listeners to BBC radio across England
 - Extensive coverage across both national, local and trade print media
 - More than 1000 additional visits to our website
 - X/Twitter: 10,000 post impressions (number of times our content appeared on user's screen)
 - LinkedIn: 7000 post impressions.
- **Motorway Services User Survey (MSUS):** We promoted MSUS at a high scoring MSA. The launch achieved more than 300 items of coverage with features in national publications including the Guardian, Daily Mirror, Daily Telegraph, Metro news pickup and across national and regional BBC outlets. It was supported by a new animation which reached almost 7000 views and was amplified by Government departments and key influencers.

Internal communications We posted almost 500 items on our intranet on work-related information, health and wellbeing, and other updates.

Governance

Theo de Pencier's appointment to the Board came to an end in October 2023. At the beginning of 2024, the new Chair of London TravelWatch, Tricia Hayes CB, joined the Board. She replaced Arthur Leathley, whose role as Chair of London TravelWatch, came to an end. The London Assembly makes the appointment to both the London TravelWatch Board and then to the Transport Focus Board.

We continue to hold high quality Board meetings including a Board meeting in public in Bristol in July. Such meetings provide the opportunity to hear from and challenge transport providers in particular parts of the country, including where some are performing poorly.

London TravelWatch

The partnership with our sister organisation, London TravelWatch, continued successfully. The collaboration agreement between the two organisations has been reviewed. We continue to provide a range of key back-office functions, such as human resources and IT support. London TravelWatch manages rail casework issues not in scope of the Ombudsman on our behalf. A joint committee of our two Boards, the Passenger Contact Group, provides oversight on casework handling, contact centre contract management and our interface with the Rail Ombudsman.

The two organisations retendered the contract for the call centre which provides the first point of contact when the public want to contact us or make a complaint about their rail service. The organisation Foundever was successful and commenced its contract in April 2024 replacing Vetrica, the previous provider.

Involvement in external 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 responding to consultations, meeting key individuals and stakeholders or participating in boards and alliances in England, Wales and Scotland (see below).

We also submit evidence to the relevant committees in the Westminster Parliament, Scottish Parliament in Edinburgh and the Senedd in Wales. We have given oral evidence on such issues as the ticket office closures in Westminster, rail performance in Senedd and the Scottish Parliament.

We also host a Road User Panel which enables us to hear about issues of interest to a range of different road users across National Highways' roads in England.

Events

We continue to have an extensive stakeholder network within the transport world – important for achieving influence and change for transport users. We often speak at conferences as well as hosting our own events. presenting and speaking at conferences,

We held a Board meeting public in Bristol focusing on the West of England. It was an opportunity for the West of England Combined Authority to set out their ambitions for public transport and to hear from regional transport players such as Great Western Railway, First Bus, National Highways and Network Rail.

Participating in decision making bodies

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

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
- Transport for the North Partnership Board
- 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
- Greater Manchester Railway Board
- Bristol City Mayor's Transport Board (co-chair)
- Liverpool City Region Bus Alliance
- West Yorkshire Enhanced Partnership Board
- Cambridgeshire and Peterborough Combined Authority Bus Partnership
- Cornwall Bus Partnership Board
- Transport North East's Enhanced 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
- Grand Railway Collaboration in the West Midlands (Strategic Board and the CEX Commercial Directors' Forum)
- National Highways Roads for All Forum
- National Highways Strategic Design Panel
- 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 2024. 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 £6,964,000 was received in 2023-24 (2022-23: £6,679,000). 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 2023-24 the group generated £1,805,000 of additional funding (2022-23: £1,372,000).

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 2024. The guarantee has been provided because this allows the subsidiary to be exempt from audit for the year ended 31 March 2024 thereby saving the annual audit fee. The saving increases the funds available for work on behalf of transport users.

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.

Objectives

Our key objectives for the year were:

- 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

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

Business Strategy - Future years

Our 2024-25 three-year workplan sets out our four primary objectives:

- Improving transport in ways that matter most to users
- Making Transport safe and accessible for all users
- Improving the way service providers minimise the impact of disruption on service users
- Making sure all user voices are listened to

For the year 2024-25 the organisation has agreed funding of £4,916,000 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.

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.

	2019-20	2020-21	2021-22	2022-23	2023-24
Passenger Representation £000	4,118	4,240	4,540	4,555	5,301
Road User Representation £000	1,474	1,443	1,911	1,895	1,774
Total Net Expenditure £000	5,592	5,683	6,451	6,449	7,075

Partnership working with London TravelWatch

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

Under the Collaboration Agreement:

- London Travel Watch provides rail passenger appeal complaints management and resolution services on behalf of Transport Focus. The resources to deliver these services are offset by the resources utilised by Transport Focus in providing finance 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.

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

The performance analysis section provides a detailed view of Transport Focus performance over the year. A range of both qualitative and quantitative information has been provided.

Finance

In 2023-24 the organisation received from the DfT grant in aid of £5,184,000 for passenger representation (2022-23: £4,832,000). Further grant in aid of £1,779,000 (2022-23: £1,847,000) was received from the DfT for representing users of the SRN. This year the Transport Focus group has secured funding totalling £1,805,000 (2022-23: £1,372,000) from third parties for joint and fully funded projects which included £321,000 (2022-23: £216,000) from the DfT.

The group incurred net costs before tax of £7,075,000 in the year to 31 March 2024. Some 35 per cent (2022-23: 35 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' equity¹ for the group showed a balance of £981,000 (2022-23: £1,093,000) at the end of the year and the total grant in aid drawn down during the year was £6,964,000 (2022-23: £6,679,000).

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 £2,491,000 (2022-23: £2,749,000). The main insight projects this year have been highlighted in the Review of Activities, and the full details of our insight can be found on our website.

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 98.3 per cent (2022-23: 97.3 per cent) of invoices within 30 days, and 79.2 per cent (2022-23: 77.4 per cent) within 10 working days. The average time taken to pay a supplier during the year was five and a half days (2022-23: five 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.

¹ 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. We endeavour to keep our travel to a minimum and aim to use electronic communication and conferencing facilities wherever possible.

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

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 41.3 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.

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. Our Staff Diversity and Inclusion Strategy 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.

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 that reads "Alex Robertson". The signature is written in a cursive, slightly slanted style.

Alex Robertson
Chief Executive and Accounting Officer
10 July 2024

3.2 Accountability Report

Corporate Governance Report

Directors' Report

During the year there have been up to eight non-executive directors who are detailed below. In addition, there were up to six executive directors, Alex Robertson (Chief Executive, from 1 December 2023), Anthony Smith (Chief Executive, to 31 December 2023) Nigel Holden (Chief Operating Officer) David Sidebottom (Director), Louise Collins (Director) and Natasha Grice (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 June 2022	31 May 2026			
A Leathley ¹	1 October 2017	31 January 2024	√		√
P Hayes CB	2 February 2024	1 February 2028			
W Powell ²	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 ³	1 September 2020	31 August 2024		√	

¹ Appointed by the London Assembly

² Appointed by the Welsh Government

³ Appointed by Scottish Ministers

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

The Board has three committees. Their primary purposes are:

- The Audit 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 4.0 days (2022-23: 4.5 days), this equates to 1.8 per cent of total staff time (2022-23: 2.0 per cent).

Government Functional Standards

The application of Government Functional Standards was mandated for all government departments and arms length bodies from 2021-22. As required by Government Functional Standard GovS001: Government Functions, the Accounting Officer, with advice and support from senior functional leads, should ensure that the governance and management frameworks of all functions in operation are integrated with the overall governance and management framework. Work is ongoing in ensuring compliance within Transport Focus.

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.

During the year a bad debt of £371 was written off after being actively pursued for 18 months.

Fees and Charges (audited)

The following information summarises the final report to Transport Focus Management Team for the period to 31 March 2024 and excludes any joint funded activities for the group.

	Full Cost £000	Revenue £000	Operating Surplus/(Deficit) £000
Additional Consumer Representation	201	264	63
Transport User Insight	554	682	128
Net Income	<u>755</u>	<u>946</u>	<u>191</u>

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.



Alex Robertson
Chief Executive and Accounting Officer
10 July 2024

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.



Alex Robertson

Chief Executive and Accounting Officer

10 July 2024

Governance statement 2023-24

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.

Change of Accounting Officer

Following my appointment as Chief Executive Officer I was formally appointed as Accounting Officer for Transport Focus with effect from 1 December 2023. For the period 1 April 2023 to 30 November 2023 Anthony Smith was in position as Accounting Officer. On his departure he has written to me confirming that so far as he was aware, there was no relevant audit information of which Transport Focus's auditors were unaware, and has taken all reasonable steps he ought to have to make himself aware of any relevant audit information and to establish that Transport Focus's auditors are aware of that information.

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.

Governance structure

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

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

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

The Audit and Risk Assurance Committee, which consisted of up to three non-executive Board Members during the year, has been established to support the Chief

Executive through monitoring and reviewing the adequacy and effectiveness within the organisation of:

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

System of internal control

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

Capacity to handle risk

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

- A risk management strategy reflecting the purpose and underlying approach to risk management and the role of the staff and senior Leadership 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 Senior Leadership Team meeting alongside regular reporting to the Audit and Risk Assurance Committee.

Risk management

The Board had previously 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 Senior Leadership 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. In this respect, work was underway during the last part of the year to fully update the risk management strategy for implementation during 2024-25.

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, including once in public, 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.

An attendance record at the public Board meetings is summarised below and the minutes are available on our website.

Board member

N Stevens (Chair)

W Powell

T De Pencier

K Richards OBE

K Denham

R Wilson

T McAuley OBE

A Leathley

Board member	July 2023
N Stevens (Chair)	√
W Powell	√
T De Pencier	√
K Richards OBE	√
K Denham	√
R Wilson	-
T McAuley OBE	-
A Leathley	-
P Hayes CB	n/a

Details of the Board’s remuneration and appointment process are available in the Remuneration and Staff Report section and Board appointment process on page 38.

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	Apr 2023	June 2023	July 2023	October 2023	January 2024
K Denham	√	√	√	√	√
A Leathley	√	√	√	√	√
T De Pencier	√	-	√	√	-
N Stevens	-	√	-	√	-

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 2023-24. The Passenger Contact Group oversees the effectiveness of the passenger contact function and met three times.

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: budgeting and revenue, corporate governance, data management; exploitation and management, and work planning; opportunity and risk 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 regularly to the Board on risk management activity and provides recommendations as appropriate. Transport Focus's Head of Governance 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 senior leadership team identified the following three key corporate risks:

- Insufficient or incorrect strategic thinking, planning, and internal and external engagement prevent us from taking the actions that will deliver the biggest impact for transport users and relevance and utility to wider stakeholders.
- Occurrence of, and/or poor reaction to a significant issue or event causes catastrophic loss of reputation, authority, budget or transport user trust.
- Weak employee value proposition (benefits, opportunities, brand, shared purpose) prevent us from attracting, retaining and motivating individuals with the skills, behaviours and networks needed to deliver our workplan.

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 2023-24 for all new staff. Transport Focus's Senior Information Risk Owner (SIRO) implements Cabinet Office guidance, as appropriate, through Information Asset Owners (IAOs) who have been appointed across the organisation and who meet quarterly. As he is required to do, the SIRO has written to me at year-end with his opinion on information risk, and has published this opinion via our website. I accept this opinion and note that there were no reportable data handling incidents during the year.

The system of internal control has been in place in Transport Focus for the year ended 31 March 2024 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.



Alex Robertson
Chief Executive and Accounting Officer
10 July 2024

Remuneration and Staff Report for the year ended 31 March 2024

The Audit and Risk Assurance Committee was made up of four non-executive Board Members in the year: Kate Denham (Chair), Nigel Stevens, 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 4.5% pay increase for Board members in 2023-24

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 4.5% pay increase for staff during 2022-23.

Our simple annual Bonus Scheme continued to operate in 2023-24 with a total allocation of £21,000 for achievements in the year (2022-23: £19,500). All staff, including members of the Senior Leadership 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 2023-24 were the same as those for 2022-23 with all bonuses capped at £250. Bonuses have been paid during the year for individual achievements and 68 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 2024 is set out below:

Board member	Board fees paid in the period ended		Date of Original Appointment	Date current or most recent appointment ends or ended
	31 March 2024 £000's	31 March 2023 £000's		
N Stevens (Chair) ¹	37	29	1 June 2022	3 May 2026
A Leathley ²	-	-	1 October 2017	31 January 2024
P Hayes CB ²	-	-	2 February 2024	1 February 2028
W Powell	14	13	1 May 2017	30 April 2026
T De Pencier	8 [14] ³	13	1 May 2015	31 October 2023
K Richards	13	13	14 August 2018	13 August 2025
K Denham	17	16	14 August 2018	13 August 2025
R Wilson	13	13	14 August 2018	13 August 2025
T McAuley OBE	13	13	1 September 2020	31 August 2024

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

² Appointed by the London Assembly who pay the remuneration

³ Full year equivalent value

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 non-executive Board Members, and no other taxable benefits were provided for 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	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
A Robertson Chief executive ²	45-50 [130-135] ⁶	n/a	-	n/a	9	n/a	55-60	n/a
A Smith Chief executive ³	105-110 [140-145] ⁶	135-140	-	-	42	-37	150-155	100-105
N Holden Chief Operating Officer	80-85	80-85	-	0-5	48	1	130-135	80-85
D Sidebottom Director	80-85	80-85	-	0-5	17	-16	100-105	60-65
L Collins Director ⁴	45-50 [80-85] ⁶	n/a	0-5	n/a	14	n/a	60-65	n/a
N Grice Director ⁵	30-35 [80-85] ⁶	n/a	-	n/a	12	n/a	40-45	n/a

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

² In post from 15 November 2023.

³ In post to 31 December 2023.

⁴ In post from 1 October 2023.

⁵ In post from 20 November 2023

⁶ Full year equivalent value

	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 2024	At 31 March 2023	
			£000's	£000's	
A Robertson	0 – 2.5	40 – 45	633	624	5
A Smith	2.5 - 5	5 – 10	105	55	36
N Holden	2.5 - 5	25 – 30	579	507	45
D Sidebottom	0 – 2.5 [0]	35 – 40 [95 - 100]	885	803	8
L Collins	0 – 2.5	15 - 20	239	229	8
N Grice	0 – 2.5	0 – 5	10	0	8

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. Bonuses totalling £1,500 were paid to Louise Collins whilst in post. No other performance pay or bonuses were awarded to the executive team whilst in post in the financial year 2023-24 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.

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 PCS or alpha – as appropriate. Where the official has benefits in both the PCS 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.)

Any members affected by the Public Service Pensions Remedy were reported in the 2015 scheme for the period between 1 April 2015 and 31 March 2022 in 2022-23 but are reported in the legacy scheme for the same period in 2023-24.

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 2024. HM Treasury published updated guidance on 27 April 2023; this guidance was 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.

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.

	2023-24	2022-23
Mid-point of Band of Highest Paid Director's Total Remuneration (£)	132,500 ¹	137,500
Median Total Remuneration (£)	53,309	49,499
25 th Percentile Remuneration (£)	41,895	37,305
75 th Percentile Remuneration (£)	65,904	59,085
Percentage change in the highest paid director's salary and allowances	(5.7%)	2.0% ²
Average percentage change in the salary and allowances of employees	9.3%	2.9% ²
Average percentage change in the bonuses payable to employees ³	36.5%	(21.6)%
Ratios:		
Highest paid director's total remuneration to median total remuneration	2.44	2.79
Highest paid director's total remuneration to employee on 25th percentile pay and benefits	3.11	3.70
Highest paid director's total remuneration to employee on 75th percentile pay and benefits	1.98	2.34

¹ The mid-point of the highest paid director has reduced in the year due to the appointment of a new Chief executive.

² The percentage has been updated from last years published figure based on revised information.

³ A one off payment of £1,500 was made to all eligible civil servants in the year 2023-24 in recognition of their public service and the challenges of the cost of living.

Actual staff remuneration, excluding the highest paid director, ranged from £30,448 (2022-23: £28,657) to £93,759 (2022-23: £88,508). 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 2023-24 was £39,382 at the 25th percentile, £53,563 median and £63,773 at the 75th percentile.

Staff numbers and related costs (audited)

Staff costs for the group comprise:

	2023-24			2022-23
	Total	Directly employed staff	Others	Total
	£000	£000	£000	£000
Wages and salaries	3,326	3,068	258	2406
Social security costs	280	280	-	262
Other pension costs	642	642	-	595
Total net costs	4,248	3,990	258	3,263

There were no consultancy or high paid off-payroll appointments in either 2023-24 or 2022-23. A high paid off payroll appointment is one which lasts for a period greater than six months at rate greater than £245 per day.

The Principal Civil Service Pension Scheme (PCSPS) also known as 'alpha', is an unfunded multi-employer defined benefit scheme but Transport Focus is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2020. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2023-24 employers' contributions of £609,981 (2022-2023: £561,629) 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 £30,883 (2022-23 : £32,817) 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 £870 (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 £4,355.

Average number of persons employed (audited)

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

	2023-24		2022-23	
	Total	Permanent	Others	Total
	Number	Staff	Number	Number
Directly employed	41.9	40.8	1.1	44
Other	-	-	-	-
Total	41.9	40.8	1.1	44

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

Staff turnover

During the year 2023-24 the staff turnover percentage was 9 per cent (2022-23: 11.45 per cent)¹ and four people left during the year.

¹ Restated following revision to calculation

Staff

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

The table below shows the split between male and female staff and directors of Transport Focus on 31 March 2024.

	Male	Female	Other	Total
Non-Executive Directors	4	3	-	7
Executive Directors	3	2	-	5
Senior Manager	5	2	-	7
Staff	16	15	-	31
Total	28	22	-	50

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 £52,000 to support improved staff performance, including development and communication of the Workplan.

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

Trade Union

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

Civil Service compensation scheme - exit package (audited)

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Less than £10,000	-	-	-	-	-	-
£10,000 - £25,000	-	-	-	-	-	-
£25,001 - £50,000	1	-	2	-	3	-
£50,000 - £100,000	-	-	4	-	4	-
£100,000 - £150,000	1	-	-	-	1	-
Total number of exit packages	2	-	6	-	8	-
Total cost (£000)	151	-	391	-	542	-
Of the total:						
Transport Focus	151	-	391	-	542	-
Transport Focus Group	151	-	391	-	542	-

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



Alex Robertson
Chief Executive and Accounting Officer
10 July 2024

Audit Report

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

Opinion on financial statements

I have audited the financial statements of Transport Focus and its group for the year ended 31 March 2024 under the Railways Act 2005.

The financial statements comprise Transport Focus and its Group's

- Statement of Financial Position as at 31 March 2024;
- 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 2024 and their net expenditure 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 requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's report thereon. 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 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 and Accountability 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 the 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 statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the Railways Act 2005;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued 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 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 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 Transport Focus and its Group's 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 controls relating to the 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, bias in management. In common with all audits under ISAs (UK), I am 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 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;
- 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 sufficient appropriate audit evidence 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.

Report

I have no observations to make on these financial statements.

Gareth Davies

Date 11 July 2024

Comptroller and Auditor General

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

3.5 The accounts

Statement of Comprehensive Net Expenditure for the year ended 31 March 2024

		2023-24		2022-23	
		Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
	Note	£000	£000	£000	£000
Expenditure					
Staff costs	3	4,177	4,248	3,197	3,263
Other expenditures	4	4,476	4,519	4,434	4,443
Depreciation	4	112	112	113	113
Lease interest	4	1	1	2	2
		<u>8,766</u>	<u>8,880</u>	<u>7,746</u>	<u>7,821</u>
Income					
Income from operating activities	5	<u>(1,686)</u>	<u>(1,805)</u>	<u>(1,260)</u>	<u>(1,372)</u>
Net Expenditure before tax		7,080	7,075	6,486	6,449
Corporation tax payable	6	<u>-</u>	<u>1</u>	<u>-</u>	<u>7</u>
Net Expenditure after tax		7,080	7,076	6,486	6,456

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 68 form part of these financial statements

Statement of Financial Position as at 31 March 2024

	Note	2023-24		2022-23	
		Transport Focus £000	Transport Focus Group £000	Transport Focus £000	Transport Focus Group £000
Non-current assets:					
Property, plant and equipment	7	77	77	189	189
Total non-current assets		77	77	189	189
Current Assets					
Trade and other receivables	8	413	416	406	424
Cash and cash equivalents	9	2,638	2,814	2,250	2,316
Total current assets		3,051	3,230	2,656	2,740
Total assets		3,128	3,307	2,845	2,929
Current liabilities					
Trade and other payables	10	1,570	1,696	1,746	1,781
Provisions	11	630	630	-	-
Total current liabilities		2,200	2,326	1,746	1,781
Total assets less current liabilities		928	981	1,099	1,148
Non-current liabilities	10	-	-	55	55
Assets less liabilities		928	981	1,044	1,093
Taxpayers' equity					
General reserve		928	981	1,044	1,093
Total taxpayers' equity		928	981	1,044	1,093

The Accounting Policies and Notes on pages 58 to 68 form part of these financial statements



Alex Robertson
Chief Executive and Accounting Officer
10 July 2024

Statement of Cash Flows for the year ended 31 March 2024

	Note	2023-24		2022-23	
		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		(7,080)	(7,076)	(6,486)	(6,456)
(Increase)/ decrease in trade and other receivables	8	(7)	8	21	10
(Decrease)/ Increase in trade and other payables	10	(231)	(140)	382	363
(Decrease)/ increase in provisions	11	630	630	-	-
Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure	12	85	85	82	82
Add non cash transactions:					
Depreciation	4	112	112	113	113
Lease interest	4	1	1	2	2
Net cash outflow from operating activities		(6,490)	(6,380)	(5,886)	(5,886)
Cash flows from financing activities					
Grant in Aid		6,964	6,964	6,679	6,679
Payment of lease liabilities	12	(86)	(86)	(86)	(86)
Net financing		6,878	6,878	6,593	6,593
Net (decrease)/ increase in cash and cash equivalents in the period		388	498	707	707
Cash and cash equivalents at the beginning of the period	9	2,250	2,316	1,543	1,609
Cash and cash equivalents at the end of the period	9	2,638	2,814	2,250	2,316

The Accounting Policies and Notes on pages 58 to 68 form part of these financial statements

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2024

	General Reserve	
	Transport Focus £000	Transport Focus Group £000
Balance as at 1 April 2022	851	870
Changes in taxpayers' equity for 2022-23		
Net Expenditure after tax	(6,486)	(6,456)
Total recognised income and expense for 2022-23	(6,486)	(6,456)
Grant in Aid received from the DfT	6,679	6,679
Balance at 31 March 2023	1,044	1,093
Changes in taxpayers' equity for 2023-24		
Net Expenditure after tax	(7,080)	(7,076)
Total recognised income and expense for 2023-24	(7,080)	(7,076)
Grant in Aid received from the DfT	6,964	6,964
Balance at 31 March 2024	928	981

The Accounting Policies and Notes on pages 58 to 68 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. The financial statements comprise the consolidation of Transport Focus and its wholly owned subsidiary, Transport Focus Wales Ltd. 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 2023-2024 Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply UK adopted 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.

The financial statements have been prepared on the going concern basis for a period of at least twelve months from the date of authorisation to issue. Management regularly assess the going concern basis and plans are in place with the Department for Transport for future funding.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to include the revaluation of material non-current assets to produce comparable and current values.

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

The standards as presented below did not have any impact on the Group's accounting policies and did not require retrospective adjustment:

- IAS 1 (Amendments) and IFRS Practice Statement 2: Disclosure of Accounting Policies
- IAS 12 (Amendments): Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- IAS 12 (Amendments): Income Taxes relating to International Tax Reform
- IAS 8 (Amendments): Definition of Accounting Estimates

The following new and revised standards have been issued but not yet adopted:

- IFRS 17 Insurance Contracts
- IFRS 10 and IAS 28 (Amendments): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- IAS 1 (Amendments): Classification of Liabilities as Current or Non-current
- IAS 7 and IFRS 7 (Amendments): Supplier Finance Arrangements
- IFRS 16 (Amendments): Onerous Contracts – Cost of Fulfilling a Contract.

We do not expect that the adoption of the standards listed above will have a material impact on the Financial Statements of the Group in future periods.

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 2020. 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 2023-24 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

1.10 Redundancy Costs

Redundancy and termination costs are recognised as an expense in the Statement of Comprehensive Net Expenditure and a liability on the Statement of Financial Position immediately at the point Transport Focus is demonstrably committed to terminate the employment of an employee or group of employees before normal retirement date. Transport Focus is considered to be demonstrably committed only when it has a detailed formal plan for the termination and is without realistic possibility of withdrawal from the plan. Redundancy payments are made in line with the Civil Service Compensation Scheme guidance.

1.11 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.

1.12 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.

1.13 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 cost and historical cost.

1.14 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 cost and historical cost.

1.15 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	2023-24 Total £000	2022-23 Total £000
Gross Expenditure	6,482	2,398	8,880	7,821
Income	(1,181)	(624)	(1,805)	(1,372)
Net Expenditure	5,301	1,774	7,075	6,449
Of the total:				
Transport Focus	5,306	1,774	7,080	6,486
Transport Focus Group	5,301	1,774	7,075	6,449

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:

	2023-24			2022-23
	Total	Directly employed staff	Others	Total
	£000	£000	£000	£000
Wages and Salaries	2,696	2,438	258	2,406
Social security costs	280	280	-	262
Other pension costs	642	642	-	595
Redundancy costs	630	630	-	-
Total net costs	4,248	3,990	258	3,263
Of the total:				
Transport Focus	4,177	3,919	258	3,197
Transport Focus Group	4,248	3,990	258	3,263

4. Administration costs and other expenditure

	2023-24		2022-23	
	Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
	£000	£000	£000	£000
Running Costs				
Transport user insight	2,454	2,491	2,749	2,749
Travel and subsistence, room hire and recruitment	250	251	184	185
Printing, postage and office costs	146	147	108	108
External services and support	596	596	449	451
Information technology support and maintenance	512	513	446	447
Board remuneration	123	123	124	124
Rent, rates and utilities	287	289	249	254
Training and development	52	52	68	68
Telecommunication costs	17	18	17	17
External audit fee	37	37	37	37
Operating lease rentals (excluding rent)	2	2	3	3
	4,476	4,519	4,434	4,443
Non-cash items				
Depreciation	112	112	113	113
Lease interest	1	1	2	2
Total	4,589	4,632	4,549	4,558

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

	2023-24		2022-23	
	Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
	£000	£000	£000	£000
Income in respect of additional activities funded by DfT	206	206	216	216
Income in respect of joint projects with external parties	835	840	606	716
Income in respect of activities fully funded by external parties	645	759	438	440
	<u>1,686</u>	<u>1,805</u>	<u>1,260</u>	<u>1,372</u>

Income has been further analysed in the year to reflect additional activities funded by DfT and 2022-23 figures restated.

6. Corporation tax payable

	2023-24		2022-23	
	Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
	£000	£000	£000	£000
Corporation tax payable	-	1	-	7

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 2023	319	100	17	436
At 31 March 2024	<u>319</u>	<u>100</u>	<u>17</u>	<u>436</u>

Depreciation				
At 1 April 2023	180	56	11	247
Charged in year	83	26	3	112
At 31 March 2024	263	82	14	359
Net book value at 31 March 2024	56	18	3	77
Net book value at 31 March 2023	139	44	6	189
Of the total:				
Transport Focus	56	18	2	77
Transport Focus Group	56	18	2	77

The Buildings - Right of Use asset was revalued in 2022-23 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 and have not been revalued as a revaluation is not considered to be material to the financial statements.

	Buildings - Right of Use £000	Leasehold Improvements £000	Information Technology and Fittings £000	Total £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

8. Trade receivables and other current assets

	2023-24		2022-23	
	Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
	£000	£000	£000	£000
Accounts falling due within one year:				
Trade receivables	222	256	178	218
Intra-group receivables	32	-	23	-
Other receivables	-	1	-	1
Prepayments and accrued Income	159	159	205	205
	<u>413</u>	<u>416</u>	<u>406</u>	<u>424</u>

Other receivables include a security deposit held for office accommodation.

9. Cash and cash equivalents

	2023-24		2022-23	
	Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
	£000	£000	£000	£000
Balance at 1 April	2,250	2,316	1,543	1,609
Net change in cash and cash equivalent balances	388	498	707	707
Balance at 31 March	<u>2,638</u>	<u>2,814</u>	<u>2,250</u>	<u>2,316</u>

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

	2023-24		2022-23	
	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	75	75	71	71
Pension contributions payable	68	68	64	64

Trade payables	102	108	789	789
Other payables	12	12	24	24
VAT Liability	16	33	23	28
Corporation tax payable	-	1	-	7
Lease liabilities	56	56	86	86
Accruals	1,133	1,135	672	672
Deferred income	108	208	17	40
	<u>1,570</u>	<u>1,696</u>	<u>1,746</u>	<u>1,781</u>
Amounts falling due after more than one year				
Lease liabilities	-	-	55	55

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. Provision for liabilities and charges

	2023-24		2022-23	
	Transport Focus	Transport Focus Group	Transport Focus	Transport Focus Group
	£000	£000	£000	£000
Redundancy Cost Provision				
Balance at 1 April	-	-	-	-
Provided in the year	630	630	-	-
Provisions utilised in the year	-	-	-	-
Balance at 31 March	<u>630</u>	<u>630</u>	<u>-</u>	<u>-</u>

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

12. Lease liabilities

	2023-24	2022-23
	£000	£000
Lease liabilities:		
Balance as at start of year	141	223
Revaluation of leases recognised under IFRS 16	-	2
Lease interest	1	2
Repayment of lease liability	<u>(86)</u>	<u>(86)</u>
Balance as at end of year	<u>56</u>	<u>141</u>
Amounts falling due:		
No later than one year	56	86
Later than one year and not later than five years	-	55
Later than five years	<u>-</u>	<u>-</u>
	<u>56</u>	<u>141</u>

A lease liability at 31 March 2024 and recognised during 2021-22 is for our London offices at Albany House. The lease expires in November 2024 and there are currently no plans to renew.

13. Contingent liabilities disclosed under International Accounting Standard 37

There were no reportable contingent liabilities or contingent assets at 31 March 2024.

14. Related-party transactions

Transport Focus is an executive non-departmental public body sponsored by the DfT and is regarded as a related party. £6,964,000 (2022-23: £6,679,000) was received from the DfT in Grant in Aid for the year. In addition, further income totalling £320,890 (2022-23: £298,383) was invoiced and received in the year for additional insight commissioned by the DfT.

In addition, Transport Focus, in its normal course of business, has had a number of transactions with other government departments and other central government bodies. Most of these have been within the wider DfT group, where DfT is the controlling part. All of these transactions have related to income and are summarised below:

Related Party	Total Value of Transactions	Balance Outstanding at 31 March 2024
Association of Train Operating Companies	£47,490	£47,490
National Highways	£480,000	-
Network Rail	£181,460	£14,400
Office of Rail and Road	£30,000	-
Train Information Services Ltd	£84,000	£84,000

£107,825 of related party income was deferred into into 2024-25 which consisted of £17,500 for National Highways, £12,000 for Network Rail and £78,325 for Office of Rail and Road.

There were no payments made to any related party in the year.

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.

Patricia Hayes, Transport Focus Board member appointed by the London Authority, holds the position of Chair at London TravelWatch. In addition she is also Chair of

the Integrated Programme Team Partnering Board, Costain Group plc, which is a key governance forum of the consortium of Skanska, Costain and Strabag (SCS). SCS has been contracted to deliver aspects of the Southern Section of HS2.

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.

15. Events after the reporting period

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

16. Financial instruments

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

17. Subsidiary companies

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

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

Transport Focus has provided a guarantee under section 479A of the Companies Act to Transport Focus Wales Limited in respect of the financial year ended 31 March 2024. The guarantee has been provided because this allows the subsidiary to be exempt from audit for the year ended 31 March 2024 thereby saving the annual audit fee. The saving increases the funds available for work on behalf of transport users.