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**Secretariat memorandum**

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LTW389

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London TravelWatch's 2012-13 business plan and budget bid

**1 Purpose of report**

- 1.1. To note London TravelWatch's 2012-13 business plan and budget bid.

**2 Recommendation**

- 2.1. That the report is received for information.

**3 Information**

- 3.1. London TravelWatch is required to produce an annual business plan outlining its business priorities and budgeting proposals for the forthcoming year. The business plan for 2012-13, which was approved by the Transport Committee of the London Assembly in September 2011, is attached at Appendix A and the budget at Appendix B. The Transport Committee will now recommend it to the full Assembly.

**4 Equalities and inclusion implications**

- 4.1. None – report is for information only.

**5 Financial implications**

- 5.1. None – report is for information only.

**6 Legal powers**

- 6.1. Section 6 of Schedule 18 of the Greater London Authority Act 1999 requires London TravelWatch to send a statement of expected expenses for the forthcoming financial year to the London Assembly and the Assembly to approve or modify such a statement.



## **LONDON TRAVELWATCH Business Plan and Budget Bid 2012-13**

### **Introduction**

London TravelWatch is the independent, multi-modal watchdog for transport users, with a range of statutory functions. It delivers its statutory responsibilities through its casework and research teams and the close integration of these teams adds value to its work. Caseworkers have easy access to expert knowledge to help resolve complex transport user appeals and the work of the research team can be focussed on resolving and identifying policy related issues emerging from casework, as well as those arising from a wide range of other sources.

This business plan and budget bid has been prepared by London TravelWatch taking into account the London Assembly's recent review of the organisation, and the changes resulting from our own internal review. It sets out the key areas of work we will be undertaking in 2012-13 within the context of our strategic priorities. Our internal review will enable us to reduce our operating costs by 25% while still achieving our core objectives, although with some reduction in lower priority activities. The staffing cuts implemented this year were a significant milestone towards achieving this reduction in costs and we will meet the 25% target during 2012 when we make further savings by reducing our accommodation budget. We will have then made sufficient savings to meet the £240,000 reduction in our funding for 2012-13.

We will continue to support the work of the Transport Committee, contributing to their scrutinies, regularly liaising with their support staff and providing briefings on the implications for transport users of transport policy initiatives as required. We understand and endorse the Transport Committee's aim to reduce duplication and drive down costs and welcome the proposal that we should collaborate with them to provide responses to large scale consultations. In many circumstances a joint response could have more impact on decision makers.

The internal review focussed on our remit, costs and processes and examined the organisation's core functions to see how these could be delivered in the most efficient and effective manner. The aim was to cut fixed costs by streamlining and refining core activities and outsourcing back office functions, while ensuring that the two key services of casework and policy were protected, and that the changes were sustainable.

Our staffing establishment has now been reduced by a third. With reduced resources we will need to focus particularly on our key priorities in future, while maintaining an overview of the issues important to transport users across London so we can target our efforts on addressing the underlying problems that impact on them.

As transport providers in London continue to face major and diverse challenges in the coming year, the need for independent advocacy for transport users remains as strong as ever. London TravelWatch will continue to put the user view, challenging the industry and standing up for the travelling public. London TravelWatch has an extensive knowledge base and unrivalled experience which allows us to analyse complex technical issues, identifying how they will impact on consumers both in the immediate and longer term.

## **Mission**

London TravelWatch is the body established by Parliament to be the official voice of transport users in greater London. It has a statutory role in the appeals and consultations process, and in putting the transport user view on transport issues.

## **Values**

London TravelWatch aims to be:

- Independent – we will not bow to outside pressure.
- Authentic – we will have an evidence base for all that we do.
- Open – we will share information, and accept new ideas.
- Collaborative – we will work with stakeholders.
- Inclusive – we will represent all transport users in our area.

## **Vision**

That London TravelWatch is the acknowledged champion of the travelling public in London, putting their needs at the centre of decision-making about travel in our area.

## **Corporate strategy**

The strategic priorities that underpin our work are:

- To maintain an efficient system for handling appeals casework and for responding to consultations.
- To develop an independent evidence base of the views and needs of current and future transport users in London, especially those facing barriers to travel.
- To maintain awareness of current transport service and future policy issues in our area.
- To become influential advocates on behalf of the travelling public to policy makers, regulators and operators.

- To build effective partnerships with stakeholders where it is in the interests of travellers to do so.
- To ensure transport users feel their concerns are represented.
- To be an efficient and responsive organisation.

## **Strategic objectives**

London TravelWatch previously set itself three-year strategic objectives to cover the period 2010 – 2013, but in response to the current circumstances the Board has decided that our work will be directed to achieving the following outcomes for transport users during 2012-13:

- Travel by public transport represents good value for money.
- Easy access to an effective complaints service from all transport operators, backed up by a robust appeals system when it fails.
- A transport system that is well integrated and accessible to all, with convenient interchanges and easy to use ticketing.
- The travelling public are informed and aware of their rights.
- All decisions about transport in London take account of transport users' needs and priorities.

This will all be underpinned by:

- A well run and efficient organisation.

We will continue to perform our statutory functions, speaking on behalf of transport users in a way that other stakeholders cannot. We do this by:

- Providing an excellent casework service.
- Engaging with decision makers and service providers to obtain better outcomes for transport users.
- Responding fully to major consultations from the transport user perspective.
- As resources allow, conducting research either alone or in collaboration with other bodies.

We will achieve our strategic objectives for 2012-13 as set out below.

## **Travel by public transport represents good value for money**

- Analysing the implications of fare increases and the effects on particular transport users and continuing to call for value for money in fare levels themselves.
- Ensuring that when things go wrong transport users are fairly compensated by operators.
- Taking forward issues arising from our research on Oyster incomplete journeys by encouraging the DfT, TfL and train operators to implement our recommendations.
- Using evidence from our casework and performance monitoring, as well as TfL's complaints data, to inform our policy and investigation work.
- Monitoring services on behalf of transport users, using our performance data to highlight persistent and repeat areas of concern.
- 'Naming and shaming' when problems persist.
- Ensuring that during difficult economic times, transport operators do not cut costs by informal, unscheduled service cuts.

## **Easy access to an effective complaints service from all transport operators, backed up by a robust appeals system when it fails**

- Operating an effective and rapid casework appeals service.
- Encouraging transport operators to improve their complaints handling and approach to customer care.
- Publicising at an early stage new problems passengers are experiencing to encourage operators to take mitigating measures.
- Both with existing services, and with new transport services as they are developed, anticipating the problems transport users are likely to experience and working with operators to ensure emerging issues are addressed.

## **A transport system that is well integrated and accessible to all, with convenient interchanges and easy to use ticketing**

- Using a multi-modal approach to give an integrated view of transport issues, taking into account both the immediate and long-term consequences of any proposals.
- Scrutinising new methods of paying for travel, such as 'wave and pay' contactless payment systems.

- Promoting good practice at interchanges, particularly with regard to Paddington, London Bridge and other major London stations.
- Continuing to work towards better integration of transport modes, and promoting good signage, information and communication, in all circumstances.
- Holding operators to account when they fail to deliver their promised improvements, including ensuring the transport timetable is effectively managed and well communicated during the Olympic Games and the legacy expectations of London's transport users are met

### **The travelling public are informed and aware of their rights**

- Ensuring that London transport users are aware of their rights, especially in respect of passenger charters and general consumer law, and of how London TravelWatch can help them.
- Raising the profile of London TravelWatch so that we can represent transport users as well as possible.
- Continuing to promote our 'How to Complain' material to the travelling public, ensuring that they understand how to complain.
- Using social media, and our own website, to ensure that transport users have good access to information.
- Pursuing a programme of stakeholder events that increase engagement with transport users and improve London TravelWatch's evidence base, with a particular focus on areas of potential transport disruption and transport exclusion.

### **All decisions about transport in London take account of transport users' needs and priorities**

- Providing input to the process of bidding for new rail franchises and the planning of future routes serving London.
- Ensuring passenger charters represent the best value for the travelling public.
- Maintaining an oversight of infrastructure issues, especially the Northern line upgrade and its substantial closures programme, Crossrail works, London Bridge and the implications for London rail terminal capacity of the High Speed 2 proposals.
- Continuing to press TfL to consult on service alterations in the same way that train operators must do.

- On behalf of transport users analysing any transport initiatives that may arise due to changes in the Assembly and new mayoral term.

## **London TravelWatch is a well run and efficient organisation**

In the past year London TravelWatch has reviewed its internal operations and has significantly cut costs by streamlining and refining core activities and reducing back office functions. These changes have already enabled us to reduce our staffing establishment by a third and we will continue to seek further efficiencies.

Accommodation represents a high fixed cost and 2012 presents the opportunity to substantially cut costs by either reducing occupancy of our current premises or moving to alternative accommodation. London TravelWatch understands that the London Assembly would like us to move our operations to City Hall to achieve cost savings but it has been made very clear that space there cannot be released until autumn 2012 at the earliest – and even then no guarantee can be given.

As a responsible organisation we need to make definite arrangements for accommodation within the next three months. Our budget bid makes the assumption that we will not move to City Hall next year but that we will reduce the occupancy of our present premises by 50% from August, when there is a break clause in our current lease.

New ways of working and better sharing and organisation of information will be essential to us in ensuring that we continue to deliver our statutory functions despite a considerably smaller budget. We will work with key partners to reduce duplication of effort and continue to take advantage of any opportunities that arise which will enable us to stretch our resources so that we can achieve more for transport users.

Our resources are now less than they were and in deciding whether to respond to consultations by London boroughs we will have regard to this and prioritise matters of primary significance to transport users.

London TravelWatch has a statutory duty to respond to large scale consultations but, where circumstances permit, will coordinate its response to these with the London Assembly.

We have always worked closely with Passenger Focus to avoid duplication and to ensure that the work of each body complements that of the other, we have also taken advantage of opportunities to collaborate with them on research and other activities to provide better value. However, as our casework confirms, transport in London is highly integrated and to attempt to disaggregate our work on national rail from our work relating to TfL activity would lead to duplication and, far from reducing costs, would add extra transaction costs.

Staff remain our biggest asset and we will continue to invest in training to ensure that we maintain a skilled and expert workforce. We will continue to hold regular briefings for our board members so they remain knowledgeable on the issues that affect transport users.

## *Risks*

We have a comprehensive risk policy and business continuity plan and regularly update our systems according to changing circumstances. We have implemented the two recommendations arising from the internal audit of our business continuity arrangements which gave us a 'substantial assurance' rating.

We will continue to implement our knowledge management strategy to mitigate the risk of losing organisational memory when key staff move on.

Our Board has a statutory obligation to represent the travelling public and it is clear that at present there are gaps in our membership such as representation from south London and from those with particular knowledge and experience of the needs of passengers with mobility difficulties. The current vacancy presents an opportunity to address some of those gaps. We are concerned that the Assembly's decision not to maintain our Board at a realistic size presents a risk to our corporate governance arrangements.

Two ever present risks to the delivery of our business plan are:

- An unexpectedly high surge in casework could require the use of temporary staff or the redeployment of other staff away from their planned work.
- We may be called upon to respond to a major policy consultation or to carry out our functions in relation to rail closure proposals which might necessitate the use of temporary staff.

## *Reserves*

As a small independent organisation an adequate level of reserves is essential to ensure that our core operating activities can continue during periods of unforeseen difficulties involving exceptional levels of unplanned expenditure.

In order to meet the costs of redundancies arising from our internal review we have had to make considerable calls on our reserves during 2011-12.

London TravelWatch reviews its reserves policy annually.

## **Conclusion**

London TravelWatch will continue to work within the spirit of the Memorandum of Understanding between us and the London Assembly. We will continue to work with the Assembly in achieving our mutual goals and look forward to a positive year of engagement to meet the needs of London's travelling public.

JC 12.8.11



LTW389 London TravelWatch 2012-13 business plan and budget bid

Appendix B

London TravelWatch Budget Submission 2012/13 NB 2012/13 reductions are cumulative on 2011/12 budget		
£K	2011/12 £000	2012/13 £000
Corporate Plan 12/13	1,443.0	1,443.0
<b>Budget Requirement-pre growth and savings (below)</b>		<b>1,443.0</b>
<b>Unavoidable growth in excess of general inflation and incremental growth in pay:</b>		
Accommodation costs:		31.0
Chair, Members' & Staff costs-pay:		0.6
Members' costs- non-pay		0.0
Other Staff related costs-non-pay		10.0
Supplies & Services		49.6
Depreciation & Asset Replacement		0.0
<b>Total unavoidable growth</b>		<b>91.2</b>
<b>Projected Savings:</b>		
Accommodation costs		61.8
Chair, Members' & Staff costs-pay		222.4
Members' costs- non-pay		1.5
Other Staff related costs-non-pay		2.1
Supplies & Services		29.3
Depreciation & Asset Replacement		17.1
<b>Total savings</b>		<b>334.1</b>
<b>Application of reserves</b>		<b>0.0</b>
<b>Budget Requirement-after growth and savings</b>		<b>1,200.0</b>
<b>Guideline target</b>		<b>1,200.0</b>
Excess over guideline		0.0