



Journeys taken care of

Go North East
Sustainability Report 2017

ON THE GO SINCE 1913...

Around 175,000 people use Go North East bus services every day to travel around this wonderful region. Travelling to work or education, to visit friends and family, to have a night out, or to visit one of the region's many tourist and leisure attractions.

For over 100 years, Go North East has connected the region's towns and villages with the cities of Newcastle, Durham and Sunderland and currently operates across Northumberland, Tyne and Wear, County Durham and into Tees Valley.

Employing over 2,000 local people, with a fleet of almost 700 buses and coaches and an annual turnover of £98m, the company is the regional subsidiary of the Go-Ahead Group plc, one of the UK's leading providers of passenger transport.

Go North East has a reputation for being passionate about service and innovation and a strong reputation for being a flexible and innovative partner – with both the private and public sector.

The company is dedicated to engaging with local communities through its innovative, branded bus routes which not only engender community pride but business success.



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Our reporting structure

We are committed to operating our bus services in a way which helps to put our stations and services at the heart of the communities they serve. This report is split into four sections:



Society

To run our company in a safe, socially and environmentally responsible manner.
page 6



Customers

To provide high quality, locally focused passenger transport services.
page 8



Our people

To be a leading employer in the transport sector.
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Finance

To run our business with strong financial discipline.
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www.gonortheast.co.uk

We're part of The
Go-Ahead
Group



MANAGING DIRECTOR'S MESSAGE

“Investments in our fleet, new innovations across our network and increased focus on our people made 2016/17 an important milestone in Go North East’s history.”

Kevin Carr
Managing Director



Looking back on the past year, I am extremely proud of our achievements. We scooped a number of prestigious regional and national awards, thanks to our commitment to inclusivity and industry-leading training and recruitment and have spearheaded company-wide initiatives which have refined our business model for the better.

Our internal communications were given a major refresh and the positive repercussions have been felt widely throughout the company. On the Go, our internal newsletter, now has more team-led content and our new Vision, Beliefs and Attitudes have been effectively integrated across our depots and departments. Our team members now enjoy better perks thanks to our new intranet and app, and new lines of communication have been opened via dedicated job chats, forums and toolbox talks. While it’s an ongoing process, the initial impact has meant our 2,000+ team members feel better listened to and informed.

If there was a key theme for the year, then it was investment. We’ve invested £10m in new state of the art vehicles and mid-life refurbishments giving customers the ‘new bus’ experience.

And our ticketing got an overhaul to thanks to our £1.6m investment in new technology. Contactless payments were launched across our fleet during Catch The Bus Week in July, plus our new ticket machines are also fitted with QR code scanners and printers which means, along with smart cards, that over 80% of our prepaid tickets are now accepted electronically on the bus.

We continue to forge many strong relationships with the North East business community through our involvement in the North East England Chamber of Commerce which recognises our business strength and influence across the north east economy.

Vitality, we spearheaded several training and recruitment initiatives. We received a record number of applications for our award-winning apprenticeship. Plus, an innovative partnership with JobCentre Plus and Gateshead College to get unemployed people back into work, has proved particularly valuable for recruiting new drivers.

£98m

revenue

64m

customer
journeys

2,050

Team GNE
members

£4.8m

investment into
new buses

650

buses in fleet

91%

customer
satisfaction



OUR APPROACH



Journeys taken care of



Our beliefs support our vision

- We work together as one team
- We trust people
- We stay one step ahead
- We build strong relationships



Our attitudes provide something clear that everyone can follow

- Be Respectful
- Be Positive
- Be You at Your Best
- Proud to be Part of Team GNE

The ability to make key decisions on a local level, to suit the needs, wants and values of our customers is vital to attracting new customers and retaining existing ones.

We take care of around 64 million passenger journeys a year, through people travelling to work or education, to visit family and friends, to have night out, or to visit one of the regions many tourist and leisure attractions.

Go North East has a reputation for being passionate about service and innovation, and has a strong reputé for being a flexible and innovative partner – with both the private and public sector.

We endeavour to provide flawless customer service communications, with our locally based customer service and service delivery teams, who provide almost 24/7 support.

Our five inter-connected change themes

1

Lean

Delivering what our customers want in more efficient ways.

2

Technology

Using technology to improve processes, increase customer satisfaction and drive revenue.

3

Experience

Considering every aspect of peoples' journeys to continually improve customer experience.

4

Cultural change

Operating with aligned values and common goals.

5

Leadership

Developing the Group's current and future leaders.

Lean

We strive to deliver what our customers want more efficiently. Using this customer-centric approach we continuously improve our processes and minimise waste. Initially focusing on engineering and operational processes such as fleet management, we aim to adopting lean processes more widely across all of our business functions.

Technology

We are focused on using technology to improve internal processes, increase customer satisfaction and drive revenue. We are utilising developments in technology to improve customer experience, and our investments in new ticketing and information platforms along with our real time information systems providing us with live business intelligence are all part of our commitment to this.

Experience

Using customer journey mapping we consider every element of the customer experience and work hard to empower our people to provide customers with control, comfort and ease.

Culture change

We've begun implementing a culture change programme, underpinned by our vision, beliefs and attitudes, focusing on empowering our people and enabling two-way communication between customer-facing colleagues and leadership teams, which will help drive change.

Leadership

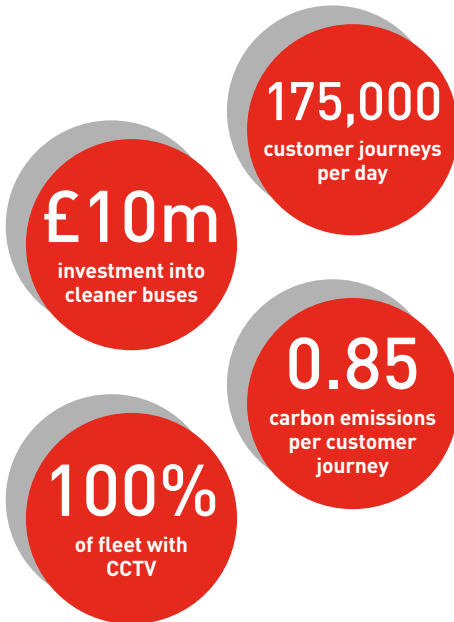
Strong leadership is key to success in any organisation. We are developing the leadership skills in both existing and future leaders through a program of development.

SOCIETY

We support a number of key organisations that provide invaluable services to the public we serve in the North East. These include one of the North's biggest leisure and educational attractions, Beamish Museum; national centre for children's books, Seven Stories; and the foundation support organisation of Durham County Cricket Club – to name but a few.



Key highlights



Our communities

We are privileged to be at the forefront of some of the North East's most creative and renowned events. For the 35th year we provided transport and baggage services for the Great North Run. Our special events team also supported Sunderland's International Airshow, the first summer season of Kynren and the Tall Ships Regatta in Blyth.

Proudly championing diversity at July's Northern Pride festival, we sponsored Pride radio, transported passengers in our branded rainbow Quaylink service, joined the parade and brought along our family face-painting entertainment. Our aim was to show our LGBT community how important it is for them to feel happy and welcome on our services and customer feedback has been great.

In mid-September 2016, we looked back on a summer well spent, after reviewing the success of Kynren. The open-air performance tells the story of England



though the eyes of a young miner's son and has been a big hit with critics across the country. Providing park and ride services for the show's thousands of weekly visitors, was humbling.

The fantastical adventure, which uses clever lighting, fireworks and has a cast of over 1,000, is performed in the dark. To help ease local traffic congestion, Go North East provided eight double-deckers for each performance, picking up and dropping off attendees at two nearby park and rides; Bishop Auckland bus station and Colliery Field.

Organisers from Eleven Arches, the company behind Kynren, were impressed with Go North East's support, awarding us the summer 2017 contract.

“As the show happens in the dark, when the performance ends late at night, we want to ensure the process is as smooth as possible for our average 6,000 visitors. Go North East has helped make that happen, without disruption to local communities.”

John Elms MBE
Eleven Arches

Environment

Cleaner air, greener vehicles and efficiency remained high on our agenda for 2016/17 and were the catalyst for several new vehicle purchases and the retro-fitting of existing buses.

Safety

Results from our Autumn 2016 Bus Passenger Survey showed a marked improvement when considering driving safety. Go North East outperformed 2015's results, with an overall satisfaction score of 90%, up 4% on the previous year.

In a positive move to reduce collisions and fuel consumption, 'driver cams' were trialled at a number of our depots.

Sustainability

A sustainable public transport network is essential to the future of any society and as a leading provider of passenger transport services; sustainability is integral to the way we run our business. Ensuring the safety of our passengers and our people is an absolute priority for us.

Reducing the environmental impact of our operations while providing a greener alternative to the private car contributes to the Government's environmental targets. At the same time, the economic contribution from Go North East helps support economic recovery and longer term prosperity.



CUSTOMERS

We make a positive contribution to the communities we serve, the wider society and support the region's economy.

Around 175,000 people use Go North East bus services every day to go to work or education, to visit friends and family, to have a night out, or to visit one of the region's many tourist and leisure attractions.

Customer experience

When it comes to keeping our customers happy, our 2016 bus passenger survey results, announced in early 2017, proved we're definitely doing something right. Improvements were made across all areas when compared with 2015, with customers sharing they were very or fairly satisfied with overall journey, punctuality, journey time and value for money.

An independent survey of bus passengers' journey experiences also showed we're continually hitting the mark. Carried out between 5 September and 18 December 2016 by Transport Focus on behalf of the Go-Ahead Group, the autumn statistics highlighted improvements in 10 areas.

Highlighted improvements





Technology

Living in the digital age, our customers have certain technological expectations and we built upon our 2015/16 innovations with more current and intuitive introductions.

A company-wide roll out of new ticketing machines back in the spring, made the business of buying and recording tickets easier for passengers and drivers alike. With easily scannable QR-coded tickets and touch screen machines taking contactless payments, the whole buying process was streamlined and more appealing to current and prospective customers.

A major launch in 2017/18 was contactless payments and at the end of 2016/17, we set the wheels in motion for the organisational-wide go live. An initial pilot on our Quaylink services across Tyneside proved popular and provided valuable insight into the launch during July 2017's Catch the Bus Week.

“Finally, the hunt for change is over! I never have cash for the bus so this is a godsend!”

Chrystal Pearson

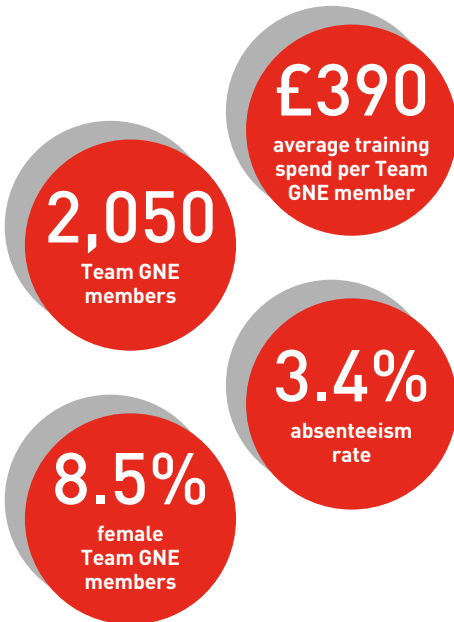
Go North East customer reacting to the launch of contactless payments



OUR PEOPLE

What makes Go North East, the third largest regional employer, so successful is its people. We are incredibly lucky to have such loyal team members – evidenced by our annual long service awards, where 55 team members celebrated a staggering 1,725 years of history between them.

Key highlights



Diversity

Over the past 12 months we have undertaken recruitment initiatives aimed specifically at increasing diversity in our work force.

This has included showcasing the stories of some of our female and ethnic minority drivers, as well as hosting events for the LGBT community, at Newcastle Pride and Sunderland Pride, and also an event within one of Newcastle's Asian communities.

Training

Our award-winning mechanical and engineering apprenticeship programme has gone from strength-to-strength and continues to be in high demand. Run in partnership with Gateshead College, in 2016/17 we received over 500 applications for just 10 available roles.

With a fleet of nearly 700 buses and an ageing mechanical engineering workforce, bringing an average of 10 new apprentices into the business each year helps us maintain staffing levels while continuing to provide exemplary standards in vehicle quality and reliability.

Ivan Jepson, director of business development at Gateshead College, said: "This apprenticeship is a shining example of how we are working with leading employers to equip their workforces with the skills they need now and in the future.

"We continue to invest in state of the art facilities to train a new generation of young people who will be able to pursue successful careers and provide real added value in the workplace."



Ambitious twin brothers, James and Matthew Barnes from Easington, are among 10 youngsters who secured a place on our bus and coach mechanical engineering apprenticeship.

Based at our Deptford depot, James, who loves being hands-on with engines, said: "The team at Go North East has been really welcoming – it's a nice company to work for. I was quite shy when I started but the role has helped to build my confidence.

"I feel there is real job security, plus there's the opportunity to progress my career with Go North East. I would recommend the apprenticeship programme to other school leavers, especially if they have an interest in mechanical engineering."

Awards

Best Apprentice Recruitment Strategy

The Recruiter Awards

Young Employee of the Year

North East Employee of the Year Awards

Inclusive Tourism

North East England Tourism Awards

Young Manager of the Year

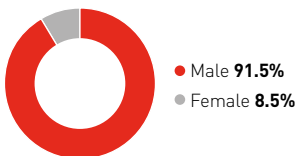
UK Bus Awards

Unsung Hero

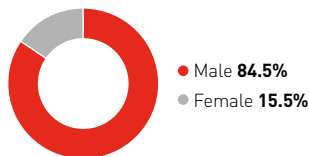
UK Bus Awards



All employees



Senior Management



FINANCE



Each one of the 175,000 journeys taken on our services every day is important to us. During the year, Go North East made a direct contribution to the economy by providing people with a convenient way to get to work, shops, key services and leisure activities every day. We connect communities and support local businesses.

We connect communities and support local businesses, which play a part in strengthening the UK economy. We directly employ over 2,000 people in the North East of England and value our employees, investing in our people through training, development and creating supportive, inclusive workplaces.

Key highlights



Engaging with our suppliers

We realise the importance of partnering with suppliers who align their work with our values as this supports efficient delivery of our services. We rely on suppliers to take a partnership approach in working together to jointly deliver the best service possible.

Our ethical procurement approach is embedded in our supply chain procurement and management processes. We take into account ethical as well as commercial and technical factors, when considering which suppliers to partner with and we encourage our suppliers to adhere to similar high standards of corporate responsibility.

Paying our taxes

We're part of The Go-Ahead Group, renowned for being a socially responsible organisation, where financial transparency and openness are important. The Group has been awarded the Fair Tax Mark, a label for good taxpayers and companies that are open about tax affairs and seek to pay the right amount of corporation tax at the right time and in the right place. A fair tax system is to the benefit of everyone and crucial to support a vibrant mixed economy.

KEY DATA: GO NORTH EAST

2016/17 2015/16 2014/15

SOCIETY

Safety

Bus accidents per million miles	16	16	17
Fleet with CCTV (%) ⁺	100	100	100

Environment

Carbon emissions per passenger journey (kg)	0.85	0.89	0.85
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Community

Community Spend per Employee (£)	10.83	48.41	17.72
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CUSTOMERS

Customer satisfaction (Latest Passenger Focus score) (%)	91	89	92
Deregulated/local bus punctuality (%) ⁺	90.8	89.6	88
Expenditure on new buses in financial year (£'000) ⁺	4.814	12.270	6.9
Average age of bus fleet*	7.6	7.6	8.3

Accessibility

Bus fleet which is DDA compliant (%) [*]	99.5	98.2	87.4
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OUR PEOPLE

Average number of employees ⁺	2,050	2,032	2,013
RIDDOR accidents per 100 employees ⁺	0.45	0.8	1.4
Employee engagement index	54	44	44
Employee turnover rate (%) ⁺	12.9	12.2	11.2
Absenteeism rate (%) ⁺	3.4	3.8	3.8
Training Spend per Employee (£)	390.24	461.46	383.68

Diversity

% of female employees	8.5	8.8	8.3
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FINANCE

Passenger Journeys (m)	64	66	67
Passenger volume growth (%)	(2.7)	(1.8)	(3.7)


Key

+ For the reporting period

* As at the reporting period end

RIDDOR – Reporting of injuries, diseases and dangerous occurrences regulations at workplaces

DDA – Disability Discrimination Act

 For information on the full Group data, please visit our corporate website www.go-ahead.com

More information

You can find out more about Go North East by visiting our website gonortheast.co.uk and more information on how the company manages sustainability can be found by visiting go-ahead.com/sustainability

If you have any comments, views or ideas on how we might improve, or have any thoughts on other issues that we should address in this report, please write to:

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Summary Verification Statement from Bureau Veritas UK Ltd

Bureau Veritas UK Ltd (Bureau Veritas) has provided verification for The Go-Ahead Group plc. (Go-Ahead) over selected sustainability Key Performance Indicators (KPI) data contained within the Group's Annual Report. The information and data reviewed in this verification process covered the period 3 July 2016 to 1 July 2017.

The full verification statement including Bureau Veritas' verification opinion, methodology, areas of good practice, recommendations and a statement of independence and impartiality can be found on the Go-Ahead Group website:

www.go-ahead.com/sustainability

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Bureau Veritas UK Ltd
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We're part of The
Go-Ahead
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