

Go North East
Sustainability Report 2016



Focused on
partnership

About us

Around 180,000 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, a fleet of almost 700 buses and coaches with an annual turnover of £100m, 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.

Where we operate

Covering most of Tyne & Wear, County Durham, Northumberland and into Teesside we have an extensive network of services across North East England. Our buses serve the north east cities of Newcastle upon Tyne, Sunderland and Durham, connecting these and our other major towns and villages with the region's key employment, education and leisure destinations.



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2016 highlights

- Total investment in new buses – £12.2m
- £2m investment in 7 new buses for Castles Express service, created growth in passenger numbers on the route
- Reassuring visually impaired passengers they are in safe hands by investing in RNIB approved driver training and signing the RNIB charter
- Securing contracts to provide public transport for several large scale public events
- Over 200 of our buses are fitted with free customer WiFi
- Over 200 'talking buses'

£101.6m

revenue

66m

passenger journeys

2,032

employees

653

buses in fleet

£12.2m

investment into
new buses

89%

customer satisfaction

For more information about Go North East, visit:
gonortheast.co.uk



[facebook.com/simplyGNE](https://www.facebook.com/simplyGNE)



[@gonortheast](https://twitter.com/gonortheast)

We're part of The
Go-Ahead
Group

Managing Director's message

"2015/16 has been a challenging year, with difficult economic conditions including high unemployment, but despite this we have maintained a strong level of business. Our 2,100 people continue to do us proud."

Kevin Carr,
Managing Director



This year has seen a tremendous amount of work taking place behind the scenes, with the further development of our state of the art service delivery centre, using real time and audio communications to improve our services by boosting reliability and enhancing passenger information. Every one of our 680 vehicles is now tracked each and every day.

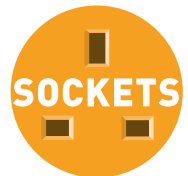
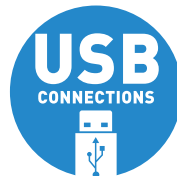
The same technology has been released in our updated Go North East App, which enables customers to see when their bus is approaching, counting down until arrival. We also made our M-tickets offering on the App even better.

We continue to invest heavily in listening to our customers and in finding out what they want from us. We do this through research. We have a passenger panel of over 1800 customers who regularly take part in surveys to help us shape our offer.

Customers continue to tell us they appreciate free WiFi next stop announcements are comfortable seats. Now, one in three of our vehicles have these features and one in ten have sockets that charge their mobiles and tablets. We also have the biggest, comfiest cushions on our seats – 'that are at least twice the size of our competitors'.

Our communications with customers remains a key strength, with all buses carrying timetable leaflets, service information sent to specific highlighted postcodes, targeted email communications of our use of social media has won national acclaim once again.

We continue to maintain a strong ethos of supporting, developing and rewarding our employees. Achievement is recognised through staff awards and long service awards, and we also provide a staff benefits scheme. We have low staff turnover and continue to improve staff engagement.



This year we continued to increase our efforts to secure a solid workforce for the future and tackle our ageing employee demographic. We further developed our new apprenticeship scheme, designed specifically for us, and we recruited our largest intake of apprentices for many years.

“Our communications with customers remains a key strength, with all buses carrying timetable leaflets, service information sent to specific highlighted postcodes, targeted email communications of our use of social media has won national acclaim once again.



Our Reporting Structure

We are committed to operating our bus service in a safe, environmentally and socially responsible manner:



Society

To run our company in a safe, socially and environmentally responsible manner:



Customers

To provide a high quality bus service.



Our people

To be a leading employer in the transport sector and our local area.



Finance

To run our business with strong financial discipline to deliver sustainable shareholder value.



Visit www.go-ahead.com/sustainability to find out more about our approach

Our approach

Listening to our customers... and learning.

Providing services that customers want, need and value is fundamental to our business as we seek to attract new customers and retain existing ones.

Around 180,000 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 regions many tourist and leisure attractions.

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 too.

Go North East continues to push the boundaries of the established practice on customer service and communications with dedicated, locally based, customer service and service delivery teams who provide an almost 24/7 level of customer support seven days a week. Services operate via a range of communication channels which are monitored in real time providing an unrivalled local level of support for its customers.

The customer services team deal with, on average, 20,000 pieces of feedback each month across phones calls, social media, online feedback forms and live one to one web chats. This information is collated and reported on which is then discussed by the company's management teams.

In addition to its customer service programme, the company also has an extensive market research programme which is used to continually monitor business decisions around service levels, routes and on board facilities such as WiFi, talking bus announcements and power sockets.

The company also boasts an exclusive and dedicated passenger research panel of 1,800 members which is used to find out customer views and experiences and to shape future investments.

Mystery bus users are also employed to test services, looking at frequency, passenger numbers, accessibility, customer care and the general travel experience. Any concerns that are highlighted during this process are addressed at a senior level.

“Providing services that customers want, need and value is fundamental to our business as we seek to attract new customers and retain existing ones”.



Tynedale Links

Our communities

We make a positive contribution to the communities we serve, the wider society and support the region's economy. Over 180,000 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.

Collaboration and partnership working are particular strengths for Go North East. We have always worked closely with our key strategic partners and continually strive to strengthen these relationships. These include the North East Combined Authority and Tees Valley Combined Authorities and their member organisations, along with a number of key organisations and destinations that provide invaluable services to the public we serve in the North East.

These include, but are not limited to, Beamish Museum; Great Park; Cobalt Business Park; Gateshead College; New College Durham to name but a few.

Our innovative branded route strategy is evidence of our approach and shows our dedication to engaging with local communities. Our route brands not only engender community pride but business success.



Peter Witham launching the new indiGo bus service



Sunny the Seagull



Red Kite family fun day



Launch of X66



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.

Together in Partnerships

As part of our work to support the North of England's biggest open air museum, Beamish, we are helping preserve the North East of England's bus heritage.

We have made a donation towards developing a 1950's 'Northern General' bus depot at Beamish, which is part of a £17m project to bring the 50s era to the popular attraction. The bus depot, will also bear our firm's original company name – Northern.

Go North East's contribution will ensure the depot is fully accessible to the public as well as doing its main job of housing the museum's transport fleet.

The attraction will tell the rich and diverse story of transport in the region. It will have a ten berth garage area and working pits, engineering and conservation workshops and host training for apprentices and school groups.

Key Highlights

£12.2m

investment into cleaner buses

180,000

customer journeys per day

16

bus accidents per million miles operated

£48

community spend per employee

Snowdogs



Go North East's Snowdog 'Springtime' at Saltwell Park

We have put our full support behind a charitable initiative led by regional hospice St Oswald's, by placing a dog on its Great North Snowdogs trail.

Running for 10 weeks, a series of 61 big and 97 little Snowdogs, based on the beloved 2012 Christmas movie The Snowman™ and the Snowdog, line the route of a public walking trail covering Tyne and Wear.

A Cleaner Environment

We continue to strive to have the greenest bus fleet in the country and our vehicle upgrading programme has gathered pace.

Sixteen new Euro 6 standard coaches and double decks have been purchased for the fleet, along with 46 Euro 5 standard midi bus and single decks.

We have also retro fitted 34 vehicles with 5 fan and SCRT exhaust treatment systems to clean up their emissions.

Together in Communities

The year 2016 saw us provide transport support at a record number of high-profile, large scale public events in our region.

Once again we provided safe transport for tens of thousands of visitors to the internationally acclaimed Great North Run and the Sunderland Airshow.

And this year we were proud to be selected as transport partner for The Tall Ships Regatta at the Port of Blyth and at epic open-air theatre show Kynren, as well as international cricket matches at Emirates Riverside County Durham Cricket Club.

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.

Durham City's cleaner air



Prince Bishops

Working in close partnership with Durham County Council, we have significantly reduced noise and air pollution in one of the North East's major cities.

To assist in improving the environment in Durham City's air quality management area, we have ensured 39 of our buses that run through the area were upgraded from Euro 4 to Euro 5 with EEV standard.

The overall reduction in nitrogen oxide emissions is estimated to be between 25,000 and 30,000 grams per year.



Beamish Museum



Customers

Improving Customer Experience

Our hundreds-of-thousands of customers are benefitting from investment in a new and improved Go North East smartphone App and website.

As part of ongoing efforts to continually review and improve the customer experience, brand new functions have been introduced to our App and website to make using our buses even more convenient and attractive.

Our customers now have access to the following new features: real time information about when their bus will arrive at their bus stop, fares finder, journey planner, a children's activities section, and a news room which not only brings them the latest news about their buses but also has lifestyle 'news you can use' including regular offers, competitions and information about regional events and ideas for great days out.

Key Highlights

20,000

pieces of customer feedback received each month

180,000

customer journeys per day

Signed RNIB Accessibility Charter

89%

customer satisfaction

Castles Express



Castles Express

Our customers are benefitting from a £12.2m investment in new buses by Go North East. This brings our total capital spend over the last five years to £50m.

We have purchased 47 new vehicles for a range of our most popular services. The new buses are part of a continuing programme of investment to ensure our fleet is as modern and efficient as possible.

The first of the new buses to hit the road were seven brand new double deck vehicles on the Castles Express, Newcastle to Bishop Auckland, service, in March 2016. The significant £2m cash injection for the Castles Express service has transformed one of our longest-standing routes into an overnight sensation – with year-on-year passenger numbers up by an impressive 15%.

The vehicles are fitted with leather seats, LED lighting, wood effect flooring, tables, free WiFi, next stop announcements and USB and plug sockets.

The vehicles are also fitted with the latest micro hybrid engine technology which recovers braking energy to power on board systems that would otherwise require power from the engine, thus reducing fuel consumption and improving emissions.

Accessible

Go North East works with a wide range of partners – including local authorities, charities and minority groups – to help improve accessibility to its services, for all.

We are passionate about being an inclusive bus operator and feel all passengers should feel comfortable and have the same accessibility rights, no matter where they travel. We are the first bus operator to introduce easy access vehicles in the region over twenty years ago and since then have led the way on making bus services fully accessible.

We continue to seek innovative solutions to meet accessibility needs. Easy Access buses are now allocated to every one of Go North East's regular local bus services.

Almost a fifth of our fleet is fitted with visual and audio next stop announcements and our website has 'talking' software that translates the text to speech and the site can also be viewed in high colour contrast schemes and enlarged text.

Affordable

A bold move by Go North East to simplify young people's bus tickets and let all 18-and-unders ride for just £1, has proved overwhelmingly popular with its customers.

In August 2016, Go North East replaced peak, off-peak and zone-based fares with a £1 simple fare for all young people aged 5 to 18. This also included simpler discounts for students and for the first time those on recognised apprentice schemes.

The £1 fare has replaced a wide range of ticket prices ranging up to £2.30 per single journey – depending on when and where a young person was travelling.

Go North East has been inundated with positive feedback on the move from customers on its social media channels.

“We are really impressed with Go North East's willingness to make improvements for their blind and partially sighted passengers.”
RNIB's Francesca Di Giorgio

Improving access for visually impaired



We are working closely with the RNIB (Royal National Institute of Blind People) to ensure visually impaired people get better support when using our buses.

Go North East has signed RNIB's Accessibility Charter and its drivers have undertaken special training including experiencing what it is like to be visually impaired. The Charter is a list of commitments that blind and partially sighted people want bus operators to make in order to improve their services for those with sight loss.

As part of the training, drivers and blind or partially sighted people swapped places to learn from each other's experiences. Drivers attempted to board a bus wearing sim specs which simulate different eye conditions.



Our people

It is important for us to be an organisation that values and respects its employees and we work hard to make sure that there is a positive, inclusive culture across our company.

Go North East is the third largest private employer in the North East, behind Nissan and Virgin Money, with more than 2,000 employees based around the region. As such the company aims to be an employer of choice and a leader in its sector.

Training

Our staff participated in 6,194 training days and over £900,000 was spent on employee development.

In an effort to reduce accidents, a lot of hard work has gone into revamping and improving the way our new recruits are trained.

The 'Trainee Pathway' training programme new drivers follow when they join us has been extended and improved as part of a project aiming to reduce accidents by 10%.

The improved programme delivers better support for new trainees who enter the business – making sure they can continue to get support for as long as they need it and whilst they are still new to bus driving.

The new approach ensures the trainee, mentor and manager all sign-off that they are happy with completed routes and vehicles familiarisation and more training is provided if anybody identifies a need for it.

Key Highlights

2,032

average number of employees

£461

average training spend per employee

8.8%

female employees

3.8%

absenteeism rate

Proud to back Pride



Newcastle Pride festival took place in July and we attended to show our support for the LGBT community with our very own Pride bus – painted in the rainbow flag colours.

Our Quaylink Pride bus runs in and around Gateshead and Newcastle all year round, showing our support and promoting awareness of equality for LGBT communities across the region.

Driving Diversity

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

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

Taking care of our Staff

We offer a wide range of employee benefits including: free bus and Metro travel for our people and their families, free eye care, staff events including an annual Summer family day and picnic, awards evenings with chances to win cash awards, as well as a staff discount programme and a pension scheme.

Community Involved

2016 saw us organise a fun-packed, free, Family Fun Day at our Gateshead Riverside super depot.

Around 1,300 local people joined us for the event and we were overwhelmed by just how popular it was and by the abundance of positive customer comments about how much everyone enjoyed it.

There were buses to explore, teacups to ride, bouncy castles to be bounced on, hoola-hoopers to marvel at, a bubbleologist, face painters and music from a local radio station.

Children enjoyed dressing-up, playing games and a chance to see their name in lights on the front of a Castles Express bus.

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

The event was completely free and included unlimited complimentary ice cream and coffee. Visitors could even try driving a bus round a challenge course.

Many people took a behind-the-scenes tour of our £8.5m depot – which is the region's biggest and busiest. This included a look at our control room and a ride on a double-decker through the bus wash.

Celebrating loyalty



Two Go North East bus drivers have reached a significant milestone achieved by very few people these days – 45 years a-piece in the same job. Michael Hendry, 67, and Keith Rutherford, 63, were honoured for their combined 90-years' commitment to getting bus passengers from A to B at Go North East's annual Long Service Awards.

Both men joined the company as conductors as young men and then progressed on to driving. Michael was based at the company's Washington depot and Keith at Deptford in Sunderland. Speaking about his 45 years' service, Michael said: "I've made lots of friends through Go North East. I've enjoyed driving the buses and meeting the passengers over the years."

Seventy-four employees received awards for 25, 30, 35, 40, 45 and 50 years' service.



Finance

Supporting the UK Economy

Each one of the 180,000 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, which plays a part in strengthening the UK economy. We directly employ over 2,000 people in the North East of England and value our staff, investing in our people through training, development and creating supportive, inclusive workplaces.

Working with our local communities

Working collaboratively with key stakeholders such as local authorities, industry partners and suppliers, we contribute to economic growth through partnering with local community groups, not for profit organisations and charities that play a constructive role in our area.

We measure our community activity through the London Benchmarking Group (LBC), the global leading framework for community investment. This helps us get a better understanding of how our contributions, donations and our work with partners and employees volunteering activity benefits the local community.

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.

Each one of the 180,000 journeys taken on our services every day is important to us.

Key Highlights



Key data

Go North East	2015/16	2014/15
SOCIETY		
Safety		
Bus accidents per million miles	16	17
Fleet with CCTV (%) ⁺	100	100
Environment		
Carbon emissions per passenger journey (kg)	0.89	0.85
Community		
Community Spend per Employee (£)	48.41	17.72
CUSTOMERS		
Customer satisfaction (Latest Passenger Focus score) (%)	89	92
Deregulated / local bus punctuality (%) ⁺	89.6	88
Expenditure on new buses in financial year (£'000) ⁺	12.270	6.9
Average age of bus fleet*	7.6	8.3
Accessibility		
Bus fleet which is DDA compliant (%)*	98.2	87.4
OUR PEOPLE		
Average number of employees ⁺	2,032	2,013
RIDDOR accidents per 100 employees ⁺	0.8	1.4
Employee engagement index	44	44
Employee turnover rate (%) ⁺	12.2	11.2
Absenteeism rate (%) ⁺	3.8	3.8
Training Spend per Employee (£)	461.46	383.68
Diversity		
% of female employees	8.8	8.3
FINANCE		
Passenger Journeys (m)	66	67
Passenger volume growth (%)	(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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**BUREAU
VERITAS**

Summary verification statement from Bureau Veritas UK Ltd

Bureau Veritas UK Ltd has provided verification for The Go-Ahead Group plc over selected sustainability Key Performance Indicators (KPI) data contained within the Group's annual report covering the period 28 June 2015 to 2 July 2016.

The full verification statement including the verification scope and 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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We're part of The
Go-Ahead
Group