

Journeys taken care of

Go North East
Sustainability Report 2018



About us

Around 170,000 journeys are made on 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 engender not only community pride but business success.



In this report

- 2 **Managing Director's message**
- 4 **Finance**
- 5 **Smarter technology**
- 6 **Stronger communities**
- 8 **Happier customers**
- 10 **Better teams**
- 12 **Cleaner environment**
- 13 **Key data**

Follow us on social media:

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

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

For more information,
visit our website:

gonortheast.co.uk

Our reporting structure

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



Finance

To work together with suppliers to jointly deliver the best possible service.
p4



Smarter technology

To implement new market leading technology and adapt it accordingly.
p5



Stronger communities

To support colleagues with fundraising events which support the local community.
p6



Happier customers

To gain more happy customers and reward colleagues for receiving positive feedback.
p8



Better teams

To perform all job roles and tasks competently to allow further growth.
p10



Cleaner environment

To improve air quality and encourage fuel efficiency at all locations across the business.
p12

Managing Director's message

“Key highlights of the past year included reaching a milestone in contactless ticket sales and introducing East Yorkshire Motor Services into the family.”

Martijn Gilbert
Managing Director



Writing my first sustainability report message as Go North East's new managing director, I reflect on what a busy and exciting 2017/18 has been in the company's history.

At the end of June, we bid farewell to Kevin Carr who, after four decades with the company, left to retire. With big shoes to fill and an impressive pipeline of activity planned for 2018/19, I certainly haven't had time to rest on my laurels.

The key highlights of the past year included everything from reaching a milestone in contactless ticket sales and introducing East Yorkshire Motor Services into the family through to supporting the region's biggest event of the year – the Great Exhibition of the North. We also faced extreme weather – as the Beast from the East played havoc!

We continued our award-winning streak with more accolades – even being listed as a leading employer in Centrica's top 100 apprenticeship league. Plus, our own awards were bigger and better than ever before. The new-look Team GNE Awards in February incorporated extra categories, team-led nominations and a more high-profile

venue, while we celebrated our long-service team members who together have clocked up more than 2,180 years in service. What an achievement!

Investment and efficiency continued to be big themes as we started the New Year spending £4m on vehicles for our popular Angel route and latterly trialled a Yutong bus, to see how electric buses fared in our region.

Our regional partnerships continued to flourish and in June we announced an alliance with the North East Chamber of Commerce, to encourage local businesses to place more emphasis on corporate social responsibility. Kevin Carr also attended a MP conference in Parliament to discuss with transport leaders and policy makers how North East operators are collaborating in the best interests of the area.

Again, we were involved with some incredibly important regional and national events. We enjoyed our own personal best in September's Great North Run – carrying over 25,000 bags and transporting nearly a fifth more spectators and runners compared to the previous year. Like the team at

Go-Ahead, we were also extremely proud to be involved with the 50th anniversary celebrations for the Fusiliers' regiment of the British Army – with a handful of our drivers, former veterans, getting involved with the launch of our branded commemorative bus.

On a more local level too, we helped transport a number of vulnerable adults to their destinations through partner initiatives with Northumbria Police and supported training programmes for deprived youngsters, working with Nacro in Newcastle.

2017/2018 highlights

- £98m revenue
- 62 million customer journeys
- Acquisition of East Yorkshire Motor Services
- £11.7m investment in new vehicles
- £1.6m investment in new ticket machines for contactless payments
- Launch of the newly developed Go North East app
- 93% overall customer satisfaction, with 91% satisfaction in County Durham and 94% in Tyne & Wear
- Awards recognition, including the National Recruiter Awards, UK Bus Awards and VisitEngland Awards

Also, our backing of annual events stepped up a gear. As the Angel of the North celebrated its 20th anniversary we played our own role in supporting the year-long calendar of events, branding our Angel vehicles with honorary badges and hosting fun family activities on our vehicles. Again, we took a central role at both Sunderland and Newcastle Pride festivals, flying the flag for inclusivity at the processions and via our two Pride buses.

As we look ahead to 2019, there is lots on the horizon for Go North East. Our eagerly awaited £3.5m Consett depot is due to open in February and our award-winning training facility will shortly get a face-lift to become our Training Academy. The industry-leading Academy will ensure our hardworking and dedicated team continue to enjoy top class in-house development and career progression opportunities.

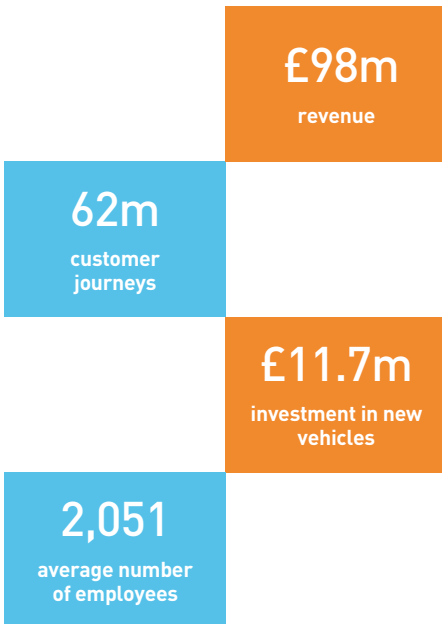


Finance



One of the biggest developments in our business in 2017/18 was the acquisition of East Yorkshire Motor Services. We were lucky to find a business that shared our vision, beliefs and attitudes and geographically too was within a stone's throw of our current south of the region routes.

Key highlights



Since EYMS joined the family in June, we've watched our team grow from 2,100 to 2,800, our fleet of buses and coaches increase from 650 to 950 and our annual passenger numbers reach nearly 90 million. Our focus in 2018/19 will therefore be on investing in our team training and upgrading our fleet, all while making sure our customers remain happy.

Over the year, there was a focus on channel shifts and campaigns with simple ticket pricing and messaging. These included;

- Contactless payments
- The Go North East app
- Our £10 Family Day Ticket
- The 18 & Under – £1 Single Fare

Promotion of both contactless payments and the app has helped steer some customers away from using cash on the bus, which is our preference in a world where hassle-free payments are common-place.

Thanks to the popularity of our Big Days Out campaign, the Family Day Ticket has continued to grow in popularity, with 41% year-on-year growth, despite reducing the price of each ticket by £3. Plus, 18 & Under £1 single fare ticket sales have grown by 24%. Many of our competitors have since followed our lead by introducing their own reduced fares for young people.

Smarter Technology



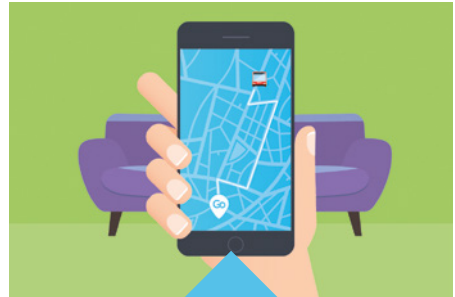
During Catch the Bus Week 2017, we launched contactless ticketing with great success.

The £1.6m investment meant from July 2017 onwards all our customers could hop on the bus without the worry of needing change and knowing their transaction was protected against fraudulent use, simply by tapping their card and going on to their destination.

The feedback from customers, partners and the media was phenomenal and contactless sales are continuing to flourish, with 10% of on-bus transactions coming from the payment method by the end of 2017/18.

Additionally, the new Go North East app was launched in January 2018. The app helps customers plan journeys, see live bus times, and buy mobile tickets for their journey.

Since the introduction of the app, sales have increased 40% year-on-year and by the end of 2017/18 there were 53,000 downloads.



The new Go North East app – live times, live tracking on a map, journey planning and mobile tickets.



Raising awareness of the new payment method that already accounts for over 10% of on-bus transactions.

£1.6m

investment in contactless

10%

on-bus contactless transactions

53,000

Go North East app downloads

40%

increase in app revenue

Stronger Communities

This year, we were extremely proud to be involved with several initiatives that further cemented our role in the local communities in which we operate, including a nationwide campaign that was very close to our hearts.



Former MD Kevin Carr with Major Gary Jones, marking the Royal Regiment of Fusiliers' 50th anniversary.

As a bronze partner of the Armed Forces Covenant's employer recognition scheme, with several ex-military personnel within our workforce, we branded a commemorative bus to celebrate the 50th anniversary of the Fifth Fusiliers.

A Volvo B9, double decker bus was wrapped in the regimental colours of rose and primrose on a striking black background and featuring the Fusilier 50 logo. In service now, the replacement service can be seen transporting passengers across Tyne and Wear.

Lieutenant Colonel Steve Burton MBE, who recently became Commanding Officer of the Fifth Fusiliers, said: "We are delighted to have a dedicated branded bus for the Regiment in this, our 50th anniversary year. The North East is a key recruiting area for the Regiment and where our reservists the Fifth Fusiliers are based so it's an honour to have this major milestone recognised in this way. A huge thank you to all the team at Go North East for their support for the Regiment and we all look forward to seeing our bus in service throughout 2018."

During the festive season we also struck up a partnership with the Northumbria Police Communities Engagement Team to help a group of vulnerable adults from Gateshead, celebrate the festivities.

Held at Westgate Community College, in Newcastle, the party saw over 100 people – many with learning difficulties – come together from across several local community groups for the first time, to celebrate Christmas.

After the evening's entertainment, a private ride aboard a Go North East double decker bus back to Gateshead ensured the night was finished in style.



As the biggest event of its kind hit the region in June, we were front and centre helping to transport locals and tourists to the Great Exhibition of the North. Not only did we brand three of our popular Quaylink buses in the vibrant pink branding of the exhibition colours, we also featured poetry on 100 of our buses, from local poet Anna Woodford.

Four million people were thought to have attended the exhibition during its three-month life-span and we were extremely proud to play such a valuable role.

“Great Exhibition of the North was a once in a lifetime event, and a big part of its success was down to the support from businesses in the region. Our brightly branded Go North East buses have certainly helped to raise awareness and turn a few heads in the process! We’re incredibly grateful to have the support of Go North East as the friendly and reliable service they offer was integral when it comes to seamlessly connecting locals and visitors with the Exhibition,” explained Carol Bell, Executive Director of Great Exhibition of the North.



One of our Great Exhibition of the North buses, which celebrated the iconic innovation and fantastic spirit of the region.

Awards

The Recruiter Awards

Winner: Innovation in Recruitment category for our Bus Drive Routeway
Highly Commended: Best Candidate Experience in partnership with Jobcentre Plus and Gateshead College

National Recruiter Awards

Winner: Best Apprentice/School Leaver Recruitment Strategy

National Express Operator Awards

Gold: ‘Gold Spanner’ for Engineering Excellence
Gold: Engineering Gold Standard

RouteOne Bus & Coach Transport Awards

Winner: Operator Training

CIM Marketing Excellence Awards

Winner: Marketer of the Year – Stephen King

UK Bus Awards

Winner: Leadership and Inspiration – Stephen King
Silver: Putting Passengers First – £1 fare for people aged 18 and under
Silver: Marketing Initiative of the Year – £1 fare for people 18 and under

VisitEngland Awards

Silver: Innovation in Tourism Award for Big Days Out Campaign

Happier Customers

Exemplary customer service continued to be front and centre of our priorities throughout the year and we were extremely proud of the consistently positive feedback received from our passengers.

Despite the challenges we faced – logistically trying to get our buses out and functioning despite road closures and extreme conditions, one of our customer highlights was the feedback following the end of February’s bad weather, dubbed ‘the Beast from the East’!

Our customer service channels became the go-to resource for everyone from news outlets and passengers to road-users in the North East. Over the three worst days, we reached up to 360,000

Tell ye what, @gonortheast drivers are heroes. No need for a cape, just a double decker and an insatiable appetite to help passengers get hyem. Class man.
@2NarMe

Hats off to all at Go North East, you’ve really done a great job at keeping us updated, and a big thank you to your drivers, driving in such treacherous conditions to get us home to our families.
Michelle Harrison



You’re doing a great job. Big round of applause to all of the bus drivers out there 🙌🙌🙌
Tracy Richardson

Your efforts are very appreciated. Well done everyone.
@christinesusanh

Thanks to your excellent driver this morning on the 21 route Low Fell-Newcastle, I made it to work this morning. Calm, professional and service with a smile, in real adverse conditions. Arrived Ncl 0752. Reg NK67 GNY. Big thanks!
@danny_morland

Well done #TeamGNE love the constant updates & dedication of your drivers! Had a fab driver on the 20A from Durham... such a happy chap after such treacherous driving conditions.
Linda Robinson



  Some of the fantastic feedback we received across our social media channels at the end of February when ‘the Beast from the East’ played havoc.



people on Facebook each day and received more than 1,000 messages per hour. Our daily phone calls increased by a staggering 500%, up to around 1,200 each day, and the daily online live chats were over 1,500.

It wasn't only during times of extremity that Go North East was commended, as throughout the year our team members continued to deliver over and above.

Once again, we scored highly in the independent Autumn 2017 Bus Passenger Survey, with our customers voting they were more than happy, scoring Go North East an industry-leading 93% satisfaction level overall and 94% for our Tyne and Wear services. The industry watchdog Transport Focus also highlighted that we scored consistently in the areas of 'value for money' and 'on-bus journey time', standing at 70% and 89% satisfaction respectively. Ratings of our bus drivers' attitude, helpfulness and greeting jumped for the second consecutive year to 82%, with customer satisfaction levels maintaining 90% and above for the safety of the driving and driver appearance.

A big part of why our customers continue to be happy is the emphasis we place on training, development and investment.

Our lean engineering focus has gone from strength-to-strength and a series of changes have made greater efficiencies across our business. These have included increased training and amplified health and safety, along with the introduction of depot process control boards. Introduced at our Gateshead Riverside, Chester-le-Street and Deptford depots, they bring visual management to the workshop floor and have improved team engagement and communication, encouraging the proactive identification of

issues including near-miss reporting and tools and equipment requirements as well as offering suggestions for improvements.

Significant investment into our training schemes combined with an injection of over £10 million into new vehicles, technology and equipment has driven improvements, and in the spring, we achieved the highest standard available from the National Express Operator Awards in relation to our UK-wide coach services.

Following our latest National Express audit, we were awarded the Engineering Gold Standard, together with the sought-after 'Golden Spanner' trophy for Engineering Excellence.



Customer satisfaction – increased to 93% in the latest independent survey carried out by Transport Focus.

Better Teams

We place the utmost importance on making sure our people are happy and contented in their roles. And, as we commended 41 team members all celebrating major career milestones at Go North East in 2017/18, we couldn't be prouder.



Roy Bellaries, celebrating 50 years of service at our Long Service Awards.

Roy Bellaries was the star of this May's Long Service Awards. Reaching 50 years as a conductor-turned-bus driver, the 69-year-old from Gateshead received a standing ovation from his peers who celebrated 25, 30, 35, 40 and 45 years with us.

Talking about his career at Go North East, Roy said: "I was promoted to a role behind the wheel when I was 21, moving to High Spen before its closure in 1990, before being transferred to Gateshead. I've had a great time with Go North East. My time at High Spen was the best as it was a small team and the guys and people were great. I've met so many people in my line of work.

"It's totally different now to what it was when I first started – the buses are much better and much warmer – I used to drive some absolute freeze boxes!"

At our first ever Team GNE Awards (formerly the Staff Awards) in February, over 170 team members joined together in Newcastle to celebrate the achievements of their colleagues, as voted for by them.

Embodying our vision, beliefs and attitudes, categories included Team GNE Star, Charity Star and Excellence in Customer Service. Hosted by popular radio presenter duo Gary Philipson and Lisa Shaw, there were tears, laughter, pride and joy. Plus, we had some great prizes on offer, thanks to our relationships with regional businesses including DFDS, the Metro Radio Arena and the Newcastle Crowne Plaza.

Other awards included Apprentice of the Year, Engineer of the Year, Driver of the Year and, new for this year, the Leadership Award, which was claimed by Shirley Connell, divisional manager – North region.



Based at our flagship Riverside depot, Shirley was commended as an important senior management team member and for her commitment to helping shape the company to meet our objectives.

Shirley said: "Winning the first ever Leadership Award was an overwhelming surprise, and is made extra special by coming at the start of this year, as I mark 25 years' service at Go North East. I have an outstanding team and want to thank them for their hard work and support."

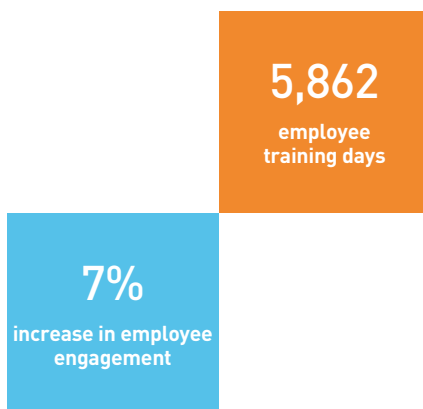
Receiving a special commendation for Excellence in Customer Service was quick-thinking Chester-le-Street driver, Dennis Crighton. During a crisis last December, Dennis displayed courage and professionalism to ensure the safety of his passengers and other road users whilst on board his National Express coach.

Team awards were presented to our Q3 driving team for continually receiving fantastic customer feedback for one of our most popular services, and, in recognition of having the best overall performance of all regional depots over the last 12 months, the Washington depot was rewarded for its success.

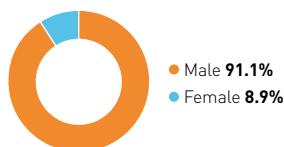
All feedback on both events was extremely positive with team members saying that the new Team GNE Awards went beyond their expectations – planning for next year's event is already well underway!

To help our teams be the best they can be, our training programmes continued with gusto – particularly our innovative Bus Driver Routeway programme and Talent Pool initiatives, which both continued to be popular with external and internal candidates alike.

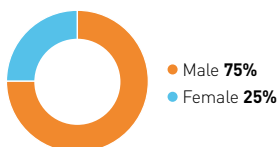
Key highlights



All employees



Senior Management



Gender Pay Gap



Median pay for men is **4.4%** higher than that of women, compared to the national average of **18.4%**.

Cleaner Environment



To help meet our objective of having the UK's greenest bus fleet and following our continued investment in new vehicles and technology, back in the spring we trialed the region's first fully electric zero-emissions bus.

Named the Yutong Electric, the vehicle is quieter than traditional diesel buses and boasts low battery and energy usage.

During the three-week trial, we monitored the running costs of the single-deck vehicle and took feedback from our engineers, drivers and passengers, to help inform our wider strategy on whether electric vehicles should become part of 2019's investment.

The pilot is part of our ongoing efforts to introduce greener vehicles into our fleet. In the past five years, we have invested over £44 million in buying new buses and £2 million has been dedicated to upgrading vehicles; retro-fitting systems to make them



Yutong Electric bus trialed on the X66 between Gateshead and intu Metrocentre.



One of our new Angel 21 buses which have Euro 6 engines, and are fitted with stop-start technology to help reduce emissions.

more fuel efficient while reducing emissions. Currently, nearly two thirds of our vehicles now have Euro 5 engines and above and another 15% are in the pipeline for retro-fits.

We also helped shape the regional agenda on green policy through our role on the North East Chamber of Commerce's Transport Committee and by having a voice on issues including clean air zones, with the regional and transport industry media.

Looking ahead, plans are underway for a Go North East-led roundtable formed of prevalent industry leaders from our region, to ensure that we have an integrated voice on green solutions and the best transport infrastructure to help the North East flourish.

We remain steadfast in our view that buses are part of the solution rather than the problem when it comes to reducing our carbon footprint – continually trying to educate people on the alternatives to travelling by car, by spearheading campaigns which highlight the bus as a better choice, not only environmentally but looking at factors such as safety, convenience and comfort.

Key data: Go North East

	2017/18	2016/17	2015/16
Society			
Safety			
Bus accidents per million miles	15	16	16
Fleet with CCTV (%) ⁺	100	100	100
Environment			
Carbon emissions per passenger journey (kg)	0.88	0.85	0.89
Community			
Community spend per employee (£)	12.79	10.83	48.41
Customers			
Customer satisfaction (Latest Transport Focus score) (%)	93	91	89
Deregulated / local bus punctuality (%) ⁺	91.2	90.8	89.6
Expenditure on new buses in financial year (£'000) ⁺	11.674	4.814	12.270
Average age of bus fleet [*]	6.2	7.6	7.6
Accessibility			
Bus fleet which is DDA compliant (%) [*]	100	99.5	98.2
Our people**			
Average number of employees ⁺	2,051	2,050	2,032
RIDDOR accidents per 100 employees ⁺	0.4	0.45	0.8
Employee engagement index	61	54	44
Employee turnover rate (%) ⁺	12.6	12.9	12.2
Absenteeism rate (%) ⁺	3.6	3.4	3.8
Training spend per employee (£)	175.42	390.24	461.46
Diversity			
% of female employees	8.9	8.5	8.8
Finance			
Passenger journeys (to nearest million)	62	64	66
Passenger volume growth (%)	(3.7)	(2.7)	(1.8)

Key

+ For the reporting period

* as at the reporting period end

** Pre EYMS acquisition

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 Go North East 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:

Martijn Gilbert, Managing Director

Go North East
117 Queen Street
Gateshead
Tyne & Wear NE8 2UA

Tel: 0191 420 5050

Email: hello@gonortheast.co.uk

gonortheast.co.uk

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 indicators contained within the Group's Annual Report. The information and data reviewed in this verification process covered the period 2 July 2017 to 30 June 2018.

The full verification statement including Bureau Veritas' verification opinion, methodology, recommendations and a statement of independence and impartiality will be released alongside the Group's Sustainability Report and can be found on the Go-Ahead Group website:

go-ahead.com/sustainability

Produced by The Go-Ahead Group
and designed by Black Sun plc



Bureau Veritas UK Ltd
September 2018

We're part of The
Go-Ahead
Group