

MANAGEMENT STRUCTURES

# keeping it local

As a group providing public transport, Go-Ahead has a significant opportunity to contribute to sustainable development. But it's had to make sure it structures its corporate responsibility operations to dovetail with the regional priorities of its disparate companies

It's often said that one of the toughest challenges facing large multinational companies is how to embed socially responsible business throughout their operations. Less often recognized is that this can also hold true for smaller companies. Go-Ahead is one of these. The UK transport services provider has ten operating companies, each with a distinctive, and in some cases, long-established regional identity and culture. The names speak for themselves: Southern Railway, Oxford Bus Company, Brighton & Hove Bus and Coach Company, Wilts & Dorset Bus and Coach Company, Go North East.

Go-Ahead's solution is to work with the grain of the group, leaving local managers in each operating company to decide how best to implement group policy – not just in terms of corporate social responsibility, but in other areas too.

Stephen Weldon, Go-Ahead's commercial manager, says: 'The diversity of our operating companies and the sheer range of activity at local level means that it simply isn't appropriate to impose an overarching group policy from the centre. Passenger transport is a local service and the company presumption is that responsibility for decision-making should devolve to local management. Go-Ahead has not adopted a "one-brand" approach as this would be counterproductive to the group culture.' History also plays its part: Go-Ahead was formed in the late

## the company

Go-Ahead provides rail, bus, parking and aviation support services in the UK and the Republic of Ireland, has more than 20,000 employees and carries just under 700 million passengers a year. In the last financial year the FTSE250 company had turnover of £1.306billion (\$2.29bn) and net operating profits of £95.9million. It:

- was the best-performing public transport provider in the Business in the Community Corporate Responsibility Index 2005
- was the first public transport operator to join the Parliamentary Advisory Committee for Transport Safety
- has increased the proportion of wheelchair-friendly 'low-floor' buses in its fleet from one in 12 in 1997 to seven in ten today
- works with schools to tackle vandalism and graffiti

## the background

- bus services account for around one per cent of miles travelled but are responsible for six per cent of all passenger journeys

1980s, when the Northern Bus Company underwent a management buyout and then set about acquiring other regional and national transport businesses. Each operating company produces its own CSR report, with data feeding in to the group environmental and social report.

Of course, some issues are best dealt with at group level. The most obvious is the environment. The 3000 buses run by the group are purchased centrally, which enables the group to ensure all its vehicles meet the latest European emissions standards. Largely as a result, emissions of carbon dioxide and carbon monoxide both fell last year, in terms of each passenger carried. The buses also use ultra low sulphur fuel, which cuts emissions of particulates and harmful sulphur. Go-Ahead monitors the environmental performance of its trains, but due to the complexity of the rail industry, the measures it takes to limit the environmental impact of its trains and rolling stock are not reflected in the figures for air pollution per passenger journey, which Network Rail calculates nationally.

But even on the environment, there is still plenty of scope for regional operating companies to use their individual initiative, under the watchful eye of head office. So Go North East has been testing a mix of ultra low sulphur diesel and vegetable mineral oils

■ all ten of Go-Ahead's operating companies decide for themselves which local community groups they would like to support



(which did not turn out to be commercially viable), and both London Central and London General are testing hybrid buses powered by electricity as well as diesel.

In other areas the individual operating companies are given a free rein to pursue policies that best fit local needs. In Brighton, where traffic is a serious problem, a Bus ID scheme offering cut-price travel for schoolchildren is aimed in particular at parents taking children to school and teenagers old enough to get a driving licence. Mike Cheesman, marketing officer at the Brighton & Hove Bus and Coach Company, says: 'If mum's taking a child under 14 to school, she only pays 10 pence per child. This doesn't solve the twice-a-day school-run snarl-up, but it definitely helps. It also encourages older teenagers to stay with the bus habit just at the time they are old enough to drive – 90 per cent of the kids in the area have a Bus ID.' The Bus ID enables teenagers to travel at the child's rate until the August after their 18th birthday. The cards also make it harder to abuse the system 'because we can tell how old they are from their card'.

The Wilts & Dorset Bus and Coach Company, which services parts of Dorset, Hampshire and Wiltshire, operates a similar scheme. Chris Harris, the company's marketing officer, says: 'Bus IDs get children and teenagers bus-minded, rather than thinking that a bus is a bit of ironmongery you can use when all else fails.' Bus ID has played its part, along with other measures, in attracting an extra million people onto the company's buses in Brighton and Hove last year alone, and increasing passenger numbers in Wilts & Dorset by 55 per cent. 'Bus ID is part of our investment in building the market,' says Weldon, who is now encouraging other operating companies to follow suit. This at a time when the national figure for the numbers of people choosing to travel by bus is falling.

Go North East, which operates around 800 buses in Tyne & Wear, County Durham, and parts of Northumberland, Darlington, Hartlepool and Teesside, takes a different approach. The company's Community Bus Miles scheme makes vehicles available to community groups taking parties on educational visits and to sporting events.

Andy Burns, Go North East's services information manager, says: 'The cost of hiring a bus is beyond the budget of a lot of community groups, and we have spare capacity outside peak hours, so it has made sense for us to provide transport for children for education and grassroots sports by awarding them free bus miles.' Young supporters of local football and rugby are among the children to have benefited from free trips to training sessions. The scheme is being reviewed, Burns says, because for

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insurance purposes some schools now insist the buses have seat belts fitted. According to Burns, Go North East is now looking into the idea of a bus specially kitted out for Community Bus Miles work.

In some ways, Go-Ahead has it easy. Getting more people out of cars and onto trains and buses doesn't just mean less traffic jams and pollution; it also equals more revenue for the company. But given the complexity of the issues, and the fact that the company provides a key public service, careful management is needed. 'The UK faces huge transport challenges and our services are an essential part in meeting them,' says Weldon. 'If we are to make the most of the opportunities to put public transport at the forefront of the local and national policy agendas, we must be effective in demonstrating how we are responsible. That is why corporate social responsibility is an integral part of our business strategy.'

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■ a million extra people used the company's buses in Brighton and Hove last year, thanks in part to the Bus ID scheme

## ibe comment GO-AHEAD

Go-Ahead has tackled the dilemma of how a large group balances the need for both regional and brand identity by maintaining the independence of local managers in implementing group policy. The local companies implement the group's social and environmental targets in ways appropriate to their region and needs. It would be good to see a mechanism for sharing local initiatives with group counterparts.

### of particular note is:

- the Bus ID scheme, which encourages children to use buses beyond their 18th birthday, creating a loyal customer-base as well as alleviating rush-hour traffic
- the lateral thinking of the Community Bus Miles scheme, which has made buses available to community groups
- the willingness to research and develop other forms of emission reduction from fuel and vehicles
- community and local projects are deeply embedded as part of the business and the way it services its customers

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