

The City of Oxford Motor Services Limited (the “Company”)

The following Section 172(1) statement has been extracted from the Company’s Annual Report and Financial Statements for the year ended 27 June 2020. All references to “Group” in this document mean The Go-Ahead Group plc (registered number 02100855).

Section 172 of the Companies Act 2006

This report sets out how the directors comply with the requirements of Section 172 of the Companies Act 2006 and how these requirements have impacted the Board’s decision making throughout the year ended 27 June 2020.

The role of the board and how it operates

The board is responsible for creating and delivering long term sustainable value for the business. The board is accountable for balancing the varying interests of the business, including those of its parent, colleagues, customers and the communities it serves.

The board comprises the Group Chief Executive and the Group Chief Financial Officer (the Group executive directors) and the local management team (Managing Director, Finance and Commercial Director and Service Delivery Director.) All directors on the board are full time employees of either the Group or the operating company. This composition ensures that the board has the appropriate balance of skills, knowledge and experience.

The Chairman (the Group Chief Executive) leads the board and promotes a culture of open and constructive debate. This role is separate to that of the Managing Director who is empowered to operate the business autonomously with the support of the rest of the local management team.

Board meetings are held on a monthly basis with the Group executive directors in attendance who scrutinise and challenge the local management’s team execution of strategy.

The board monitors the effectiveness of the Group’s systems of internal control, governance and risk management. The Managing Director reports to the Group executive directors directly on day to day management issues including risk and is responsible for ensuring compliance with the Group’s policies and procedures.

Compliance with section 172(1) of the Companies Act 2006

The directors confirm that, during the year, they continued to promote the success of the Company for the benefit of all stakeholders. In doing so, the Board’s desire to act fairly for its parent, maintain a reputation for high standards of business conduct, and consider the long term consequences of the decisions they take, have underpinned the way it operates at every level of the business. Further details are set out in the following table:

Section 172	Compliance
<p>a) The likely consequence of any decision in the long term;</p> <p>and</p> <p>e) The desirability of the company maintaining a reputation for high standards of business conduct.</p>	<p>At Oxford Bus Company, actively listening to and engaging effectively with our wide variety of stakeholders is key to ensuring responsible decisions are made. We appreciate the need to ensure that the decisions we take create value for all our stakeholders and support creation of long term sustainable value so that, ultimately, we can continue to be a vital part of the communities we serve.</p> <p>The Group’s devolved management operating model is a key feature of the board’s decision-making process, with the Group executive directors acting as an intermediary and ensuring there is two-way feedback between the Group Board and Company Board. In line with this approach, the viability of a number of principal decisions (for example, acquisitions, disposals, restructuring, major new route launches or material route withdrawals, and major capital investments) will first be considered at</p>

	<p>our Company Board meetings. If approved, the Group executive directors will then submit a proposal to the Group Board. This process supports the board performing its duties in compliance with the matters set out in paragraphs a-f of section 172 of the Companies Act 2006.</p> <p>The directors take the reputation of the Company seriously which is not limited to only operational and financial performance. The strong reputation and positive stakeholder relationships we have developed over many years have never been more important than during the COVID-19 pandemic. We have worked closely and collaboratively with key partners, such as Oxfordshire County Council, Oxford City Council, Oxford Brookes University, Oxford University, the Department for Transport, and with other major local operators such as Stagecoach in Oxfordshire, to ensure that service provision remains at the right level, government policy is brought into effect, and that suitable funding is received to enable essential services to continue to be delivered.</p> <p>Our Managing Director, Phil Southall plays a key role in the economic development of the region that we serve. Phil is the chairman of the Oxfordshire Branch of the Thames Valley Chamber of Commerce and is also a board director of the Oxfordshire Local Enterprise Partnership. Phil also helps to represent the wider passenger transport industry through his role as Chairman of the Confederation of Passenger Transport for London and the South East.</p> <p>The directors are committed to the highest standards of ethical conduct, honesty and integrity in our business practices.</p> <p>The board seeks to have a workforce that reflects the diversity of the communities we serve.</p> <p>During the year, the board approved the Company's modern slavery statement (available on the Company's website). The board also considered the data, and narrative, relevant to the Company's Gender Pay Reporting in preparation for external publication, including proposed improvement plans to enhance performance.</p>
<p>b) The interest of the company's employees</p>	<p>The directors understand the importance of the Company's employees to the long term success of the business.</p> <p>We listen to our colleagues, and engage in regular and constructive dialogue with trade unions to ensure our colleagues' voices are heard. We are proud to hold Investors in People silver accreditation, representing the positive work that has been carried out in this area.</p> <p>During the year, our initiatives to bring about positive cultural change in the business were recognised through a Silver Award at the 2019 UK Bus Awards.</p>

	<p>Safeguarding the health and wellbeing of the Company’s employees and customers remains the main priority for the board, with numerous additional precautions having been taken over the past six months in response to the COVID-19 pandemic. Such actions have included the introduction of enhanced cleaning regimes on our vehicles and in our depot premises; provision of personal protective equipment for customer facing colleagues; additional home working and social distancing measures for office colleagues; the introduction of a new touch free contactless payment system “Freeflow,” to help remove unnecessary touchpoints; the launch of our new “When2Travel” tool to help customers to choose quieter services; and proactive monitoring of service loadings to ensure sufficient capacity is available for those needing to travel.</p> <p>The Company regularly communicates to its employees through our colleague newsletter “OnBoard”, which is issued every two weeks. During the COVID-19 pandemic we increased the level of communications with a daily Coronavirus briefing document being issued, and a new online colleague forum established using Facebook. We hold a Colleague Relations Forum every quarter, giving employees the ability to air their views to management, and also hold management “drop in sessions” with front line colleagues. Regular employee surveys are undertaken to allow colleagues to provide honest feedback about their experience working at Oxford Bus Company, the results of which provide a measure of colleague engagement and help us identify areas for improvement.</p> <p>Being an employer of choice is important to maintaining a high level of employee retention. The Company provides market competitive remuneration and comprehensive benefit packages. Colleagues are recognised and rewarded for their contribution and commitment.</p> <p>The Company places a premium on an inclusive and diverse workforce, enabling all colleagues to reach their full potential, to be empowered and engaged with a strong commitment to personal development. During the year the company hosted the first regional “Women in Bus” Go-Ahead employee network event at Jurys Inn, Oxford to support and empower female colleagues. This network aims to provide visible role models to colleagues and to create a forum for women in the business to raise issues, share experiences and support each other. The keynote speaker at the event was Claire Mann, Director of Bus Operations at Transport for London.</p>
<p>c) The need to foster the company’s business relationships with suppliers, customers and others.</p>	<p>The board regularly reviews how the Company maintains positive relationships with all of its stakeholders, including suppliers, customers and others.</p>

	<p>The directors understand the importance of the Company's supply chain in delivering the long-term plans of both the Company and the Group. Through our Sustainable Supply Charter, we demonstrate high standards of integrity, responsibility and professional conduct. We endeavour to support our suppliers to improve the sustainability of their business. During the COVID-19 pandemic, we have taken active steps to safeguard our essential supply chain, continuing to pay suppliers in line with the Prompt Payment Code and applying a fair and structured process when the reduction of supplier services has been necessary, in line with the Company's Sustainable Supply Chain Charter.</p> <p>Customers are at the heart of the business and the board is dedicated to providing them with safe, convenient and reliable services. Customer satisfaction is a strong indicator of how well we are meeting customers' needs and the directors monitor this through annual surveys conducted by the independent watchdog, Transport Focus. We build relationships with our customers through our passenger-facing colleagues, customer service team and through our social media channels. Our customers' needs are constantly evolving, and these interactions enable us to better understand the needs of our passengers and where to focus improvements.</p> <p>The directors have been working to improve relations with wider Stakeholders and this year launched a new Stakeholder Newsletter to help keep the wider community better informed on the business's activities and achievements.</p> <p>We also hosted our first annual "Stakeholder Update event" at the Ashmolean Museum in December 2019. We conduct an annual survey of our key stakeholders to understand what they think about the business, what we do well and where we can improve further.</p>
<p>d) The impact of the company's operations on the community and environment.</p>	<p>As a public transport operator, the Company has far reaching impact on the Group (as its ultimate parent company) as well as its customers, employees, regulators and the communities it serves. The Company aims to align its business values, purpose and strategy with the social, economic and environmental needs of its stakeholders, embedding responsible and ethical business policies and practices in everything it does.</p> <p>Our Finance and Commercial Director, Luke Marion is committed to ensuring the company operates as sustainably as possible and that new technologies, funding streams or business models which can help the company reduce its environmental footprint are understood and if possible, harnessed.</p> <p>Luke is a board director of the Low Carbon Hub, a local social enterprise which has developed 47 renewable energy installations in Oxfordshire and Buckinghamshire, collectively generating more than 4.3Gwh of electricity each year.</p>

	<p>During the year the company made more positive progress in this area, with the successful completion of a retrofit programme carried out in partnership with Oxford City Council, which has seen a total of 66 Oxford Bus Company, Thames Travel and City Sightseeing Oxford buses upgraded to ultra-low emission Euro VI standard.</p> <p>An Oxford City Council air quality report revealed that our investment in ultra-low emission vehicles and technologies is working, with roadside NOx emissions from buses decreasing by half since 2013. Buses now contribute less harmful emissions than cars in Oxford city centre.</p> <p>The company is proud to hold the ISO50001 accreditation for our energy management practices.</p> <p>Further details of our sustainability initiatives can be found in our 2020 Sustainability Report, which is available for download from our website.</p>
<p>f) The need to act fairly as between members of the company.</p>	<p>The Company is owned 100% by Go-Ahead Holding Limited. However, the Company's ultimate parent company and controlling party is the Group.</p> <p>The Group operates a devolved operating model. Whilst day-to-day management of the Group's activities, governance and oversight has been delegated to the Group executive directors, the directors of the Company both individually and collectively support them in this role and the Company is operated as an autonomous business unit.</p> <p>Board meetings are held on a monthly basis with the Group executive directors in attendance who scrutinise and challenge the local management's team execution of strategy. These more formal meetings are supported by several cross-business forums (such as health and safety, engineering, HR and diversity and inclusion) that serve to facilitate the sharing of knowledge, ideas and best practice. This approach encourages the right balance between local and Group initiatives and facilitates fair discussion and decision-making. It also ensures that we deliver more operating collectively than we would independently.</p>