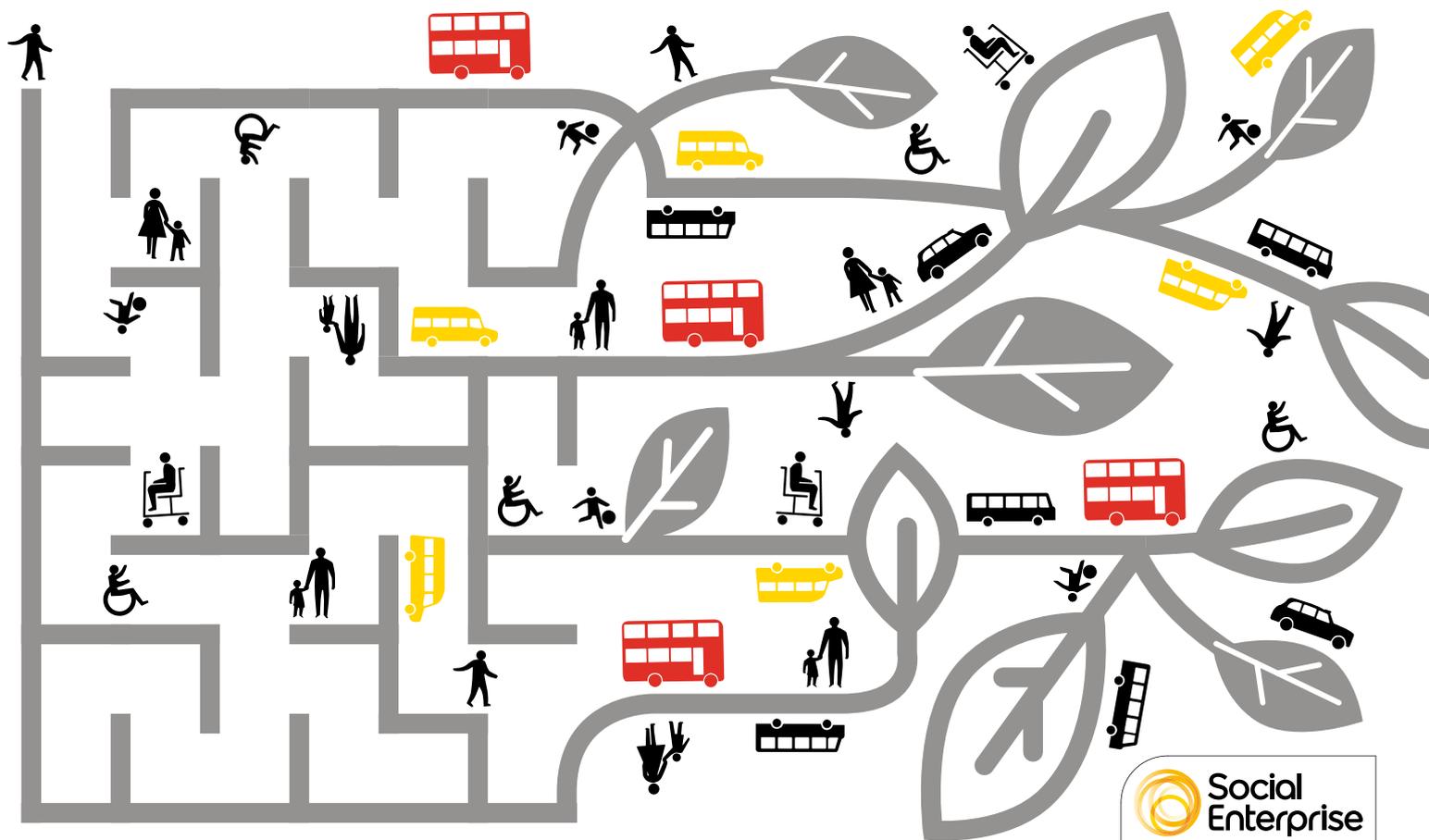




hct group

impact report 2011/12

changing environment, changing impact



www.hctgroup.org

welcome to our impact report 2011/12

2

dear colleague

HCT Group has a simple objective – to do more good. Precisely what we mean by that and the mechanics of how we go about it are needfully more involved – yet this fundamental idea of what we are for acts as guide and mentor to the organisation.

I believe that this simple objective, shared by so many other social enterprises, is a clear counterpoint to modern shareholder capitalism and its own objective – maximising shareholder value. That we can thrive in commercial competition against such organisations, generate wealth and wellbeing for our communities and pursue our social mission in a tough economic climate – all combine to give me an abiding hope for our society. I believe that social enterprise is the future.

Measuring our social impact helps us to ask 'Did we, in fact, do more good?' This report is our best answer to that question. The headline numbers are encouraging – there has been a 16% increase from the last impact report in the number of passenger trips we have provided to disadvantaged individuals or community group members – a net rise of 39,893 trips.

Each one of these extra trips also represents a human story. A disabled person enabled to access the world of work, a community group broadening the horizons of young people away from gang culture, or the simple pleasure of a vulnerable older person catching up with friends at the day centre. This is what a social enterprise choosing to reinvest its profits for social good means on the ground. This is why we do what we do.

Set out in the following pages you will find out how we try to maximise the good that we do, the difference that we are trying to make and how we have done over the past financial year.



Best wishes
Dai Powell OBE
Chief executive
HCT Group



3

about HCT Group

HCT Group is a social enterprise in the transport industry. Our founding commitment is to the role that transport can play in ensuring the most vulnerable and marginalised in our society can access jobs, education, services – or even the simple freedom of being able to get out and about.

We earn our revenues from transport contracts won in the marketplace, delivering them to a high standard. Profits are then reinvested into high social impact transport services or projects in the communities we serve, and into providing training opportunities for people who are long term unemployed – making a real difference to people's lives.

This model has allowed us to grow from strength to strength. Our track record spans a wide range of services – from London red buses to social care transport, from school transport to Park and Ride, from community transport to training for skills and employment. We now have 11 depots spread across London, Yorkshire, Humberside and the southwest, a fleet of over 360 vehicles, 630 employees and deliver well over 13 million passenger trips on our buses every year.

This year marks our 30th anniversary and, even as we celebrate our past achievements, we are continuing to seek new commercial opportunities, new partnerships and new ways of boosting our community impact.

performing as an enterprise

4 At HCT Group, we understand that commercial success enables our community impact. The rest of this report concentrates on what our commercial performance enables – the delivery of our social mission. This section sets out our year in business.

The 2011/12 financial year has marked a brief hiatus in our growth with a marginal increase in turnover (£28.6m¹). More importantly, work and investment during the year has also marked a turning point in our capability to grow rapidly and sustainably in the future – and a corresponding increase in our ability to make a difference in our communities.

Our business environment and performance in 2011/12 have been characterised by five key factors:

economic headwinds

Like many other organisations, HCT Group has not been immune to the impact of public spending cuts in our key markets. This has led to downward pressure on margins and overall contract values.

cementing our relationships

Several of HCT Group's key long term contracts have been out to re-tender during 2011/12 – most notably our SEN school transport contract in Waltham Forest. Cementing these relationships and securing the business has been a strategic priority. We have been successful on all counts, placing us in a strong position for the future.

maintaining position

With downward pressure on contract prices a feature, we have sought to maintain levels through new business. Significant wins include two of the three Park and Ride routes in Bristol, allowing a new regional platform for future growth. Starting our operation in Bristol also enabled Bristol Community Transport to join HCT Group in December 2011 – materially increasing our positive social impact.

investing in our capabilities

HCT Group seeks to out-compete the giants of the bus industry for transport contracts. 2011/12 saw significant investment in the business development capabilities, management systems and processes, and IT infrastructure needed to do just that – putting in place the resources for expansion.

ready, set, go...

Investment in our capabilities to win and deliver new business has led to considerable early success, with major contract wins to deliver the bus services on both Guernsey and Jersey, an adult social services/SEN contract in Bristol and a new London red bus contract – all of which will play a significant part in our activity during the forthcoming financial year.

These fresh contract successes, combined with work to secure and maintain existing relationships, have ensured that HCT Group is ready to return to dynamic growth in the near future.





providing choice and access

making a difference

For many people with mobility difficulties in our communities, making the journey is the single greatest barrier to access and inclusion – be that for work or leisure, healthcare or shopping – and all the ingredients of an independent and fulfilling life.

HCT Group exists to bring down those barriers, providing a range of safe and accessible transport services that provide a real alternative for people who find mainstream public transport difficult to use. We aim to enable access, increase independence, reduce isolation and support people to lead active social lives. Our services are designed hand-in-hand with service users to provide them with the freedom to decide where they want to go and how they want to get there.

Our user-led philosophy of choice and access has made us a natural partner for many local authorities as they address the transport implications of the personalisation agenda – particularly at a time of significant budget pressure.

We monitor our impact and performance through user fora and individual feedback surveys. These not only provide us with information on how we are doing, but also directly shape the direction of current and future services.

what we do

Community Bus, Route 812

This 'hail and ride' bus route in the London Borough of Islington was designed by the people who use it. Focussing on the needs of older and disabled people – but open to all – Route 812 connects people with the key services, shops, doctors' surgeries and day centres that they identify as important to them. Described as a lifeline by its service users, Route 812 is funded in a partnership between the London Borough of Islington, Transport for London and the reinvestment of profits from our commercial contracts.

the Leeds Travel Buddies programme

Working in close partnership with Leeds City Council, Leeds Alternative Travel has delivered a Travel Buddies scheme that helps young people aged 11–25 with different special educational needs to build the skills and confidence to travel independently on public transport. The innovative programme design has been guided at each stage by the young people and their parents/carers. It involves providing travel training followed by a discrete 'safety net' phase, where the Travel Buddy is present as an increasingly distant supporter and observer during journeys over a period of months – until the young person is ready to make journeys alone.



Michaela's story

Michaela has been working with Travel Buddy Mandy Brown to build the skills and confidence to travel independently on public transport. The Travel Buddies project, delivered by Leeds Alternative Travel in close partnership with Leeds City Council, works with a variety of young people with different special educational needs.

Young people like Michaela practice their independent travel skills with their Travel Buddy whilst they are out and about. The Travel Buddy slowly withdraws their support until the young person is ready to make the journey alone.

'Michaela has come on in leaps and bounds since we started this training,' explains Travel Buddy Mandy. 'She has mobility problems and learning difficulties and wasn't very confident when we began – she had never been anywhere by herself before. We arranged extra road safety sessions for Michaela and she has really blossomed since starting to cross roads by herself.'

'Michaela no longer needs us to meet at her front door so we meet at the bus stop instead – she is noticeably more chatty and confident. She really enjoys being in charge of the journey, which is vitally important in empowering her and further develops her independence. Meeting Michaela as she gets off the bus is the next stage of her training.'

Michaela is really proud of herself for being more independent. 'Mandy hasn't pushed me to do anything until I'm ready to... I feel more confident – I have really enjoyed doing this and would give the training 10 out of 10.'

'she really enjoys being in charge of the journey, which is vitally important in empowering her and further develops her independence'

Dawn's story

10

Dawn Edwards from Anlaby, Hull, uses West Hull Community Transport to get out and about.

'I have been registered as disabled with multiple sclerosis for 20 years but I have always tried to remain independent. Up until quite recently I had the use of my mobility car, but due to my condition I felt it difficult to keep up enough confidence to feel safe driving, as I do get tired very quickly.

'I am now still able to do most of what I did by using West Hull Community Transport. I have always kept as active as possible as my fitness is very important to me. Using this service has allowed me to continue regularly going to the gym and to be able to go swimming. I also use the service for a day centre visit once a week and for regular visits to the doctors and hospital.

'So, as much as I liked having my own car, using this service has made me not miss it or the responsibility of it very much at all, which is a great thing. I occasionally try to use public transport but find it very difficult, so this service is invaluable to me.'

'using this service has allowed me to continue regularly going to the gym and to be able to go swimming'



11

ScotAbility

HCT Group delivers a scooter loan scheme that provides access to mobility scooters and powerchairs. The idea is to provide users with the freedom to move around independently and improve their quality of life. Developed in partnership with the London Boroughs of Camden and Islington, ScotAbility members borrow scooters or powerchairs free of charge. We deliver and collect the vehicles – which can be hired for up to four days – directly to and from service users' homes.

Bristol Community Bus

Bristol Community Transport, which joined HCT Group in December 2011, provides community bus services in the Bristol area. The services are community-led and designed to help older and disabled people reach a variety of essential local facilities such as post offices, medical centres and shops. All services operate a flexible route, so the bus can collect passengers from their homes and vary where they are dropped off – really meeting individual needs.

YourCar

YourCar is a door-to-door transport service for people with disabilities or mobility difficulties who find it difficult or impossible to use public transport. Developed in response to a need for an accessible community car service, YourCar operates in Hackney, Haringey, Lambeth, Leeds and Southwark. The operating costs of YourCar are directly subsidised from the profits of commercial services.

Capital Call

Capital Call is a Transport for London (TfL) grant-funded programme that helps people with mobility difficulties to access minicabs in those parts of London where regular black taxis have traditionally been scarce. Developed in partnership with TfL to support the existing Taxicard scheme, HCT Group acts as a contact centre, connecting Taxicard members with a wide variety of quality assured private hire companies in their local area.

Bristol Car Club

Bristol Community Transport provides a car club service for wheelchair users in Bristol. It allows scheme members to hire wheelchair accessible vehicles, ensuring their individual travel needs are met.

other door-to-door services

We also provide a wide variety of traditional door-to-door transport services under contract for local authorities and other agencies – making use of everything we have learned about accessible transport over the years to meet the needs of more people in our communities. These services include supporting young people with learning disabilities to get to college, Dial-a-Ride services in Hull and London, and the Access Bus service in Leeds.

Susie's story

12

'I use YourCar to get to work and then to get home,' said Susie on her way to her job as a business support officer at the Parliamentary Health Service Ombudsman. 'I've been using the service for several years now and it gives me the confidence to go to work like any other person.'

'The drivers are great – very friendly and caring. It's not like a normal taxi – the drivers take on much more responsibility, making sure I'm safe and secure when travelling in my wheelchair. It's a good, reliable service. I've also used it to go to the airport for holidays. A normal cab would just leave you there – but the YourCar drivers will take your suitcase to check in and make sure you're okay.'

'Without YourCar I would be more restricted. I'd be reluctant to go out to places and enjoy myself. I would feel like I had less control of my life. I don't think I would be able to get to work at all. It would be impossible.'

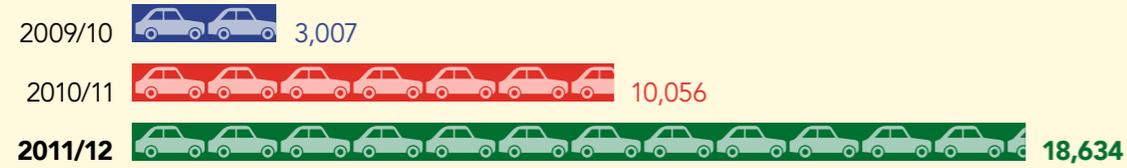
'it gives me the confidence to go to work like any other person'

providing choice and access

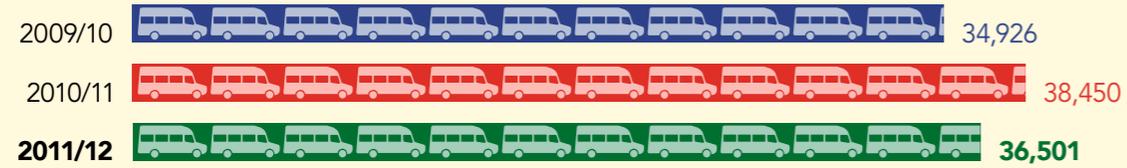
13



YourCar: passenger journeys



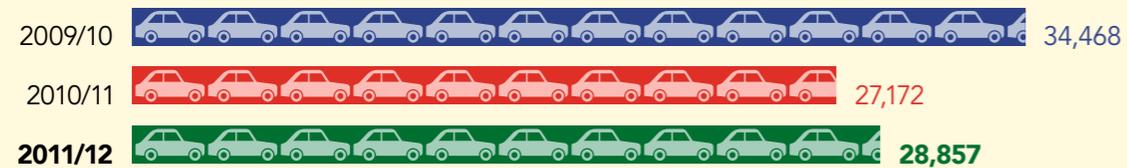
Community bus routes: passenger journeys



Scooter loan programmes: passenger journeys



Capital Call: passenger journeys



Other door-to-door services: passenger journeys



a year in numbers

Key performance indicators for individual transport in year ending 31 March 2012 show strong patterns of growth for many services with passenger journeys growing by 41%. YourCar has shown particularly strong growth (85%), as have services for local authorities where we provide individual transport.

The results can be viewed in a number of different ways. The first is highly positive – HCT Group is increasing the good that we do, helping ever more disadvantaged individuals to lead more independent lives.

The second is perhaps more nuanced – demand for these services is increasing at a rapid rate when compared to the overall growth of the organisation, largely due to us providing services aimed at meeting this social need and tapping into new structures for individual budgets. The challenge inherent in this is that these budgets rarely cover the full costs of journeys, leading to questions of sustainability.

230,213

The total number of passenger trips from all individual, accessible travel services in 2011/12.

168%

There has been explosive growth in demand for these type of services from disadvantaged individuals, with a 168% increase in passenger trips since 2009.

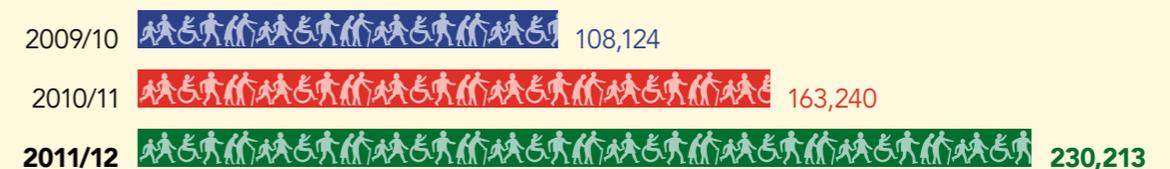
150

The number of young people who participated in the Leeds Travel Buddies pilot programme and who are now travelling independently, marking a step-change in their quality of life and life chances.

22%

In a recent survey, 22% of YourCar users said that they did not travel before they started using the service, showing the severity of need.

Total passenger trips provided to individuals



Alma's story

16

Alma Chalmers (76) and husband Bernard (81) use the community bus service provided by Bristol Community Transport.

'We joined when my husband could no longer drive due to his health,' explains Alma. 'It came as quite a shock to the system after 50 years of being able to travel around by car. We use the service once a week to do our shopping and the service drops us at back at our door. As we can't walk very far, I don't know how we'd do it otherwise – it's a real help.'

'We couldn't manage the trip on public transport – I can't really use it after an illness last year and we would just not be able to carry the shopping. The drivers on the community bus are amazing – always willing help you on and off with your bags – carrying them to the door or into the house if I've a lot – and my shopping can sometimes be a bit heavy!'

'the drivers on the community bus are amazing – always willing help you on and off with your bags'

providing choice and access



17

connecting community groups

making a difference

HCT Group believes in the communitarian power of transport – that groups of people in our communities travelling together for their common purposes is by definition a profound social good. This is the thought that underpins Group Transport – the subsidised, accessible minibuses we have provided for a wonderfully diverse range of community groups since our inception in 1982.

We also believe that Group Transport has an amazing social impact – because providing transport acts as a critical enabler for the social impact of others – community groups and projects making a real difference to large numbers of peoples' lives in an incredible variety of ways. Most of the groups we serve have little or no other means of getting their members out and about.

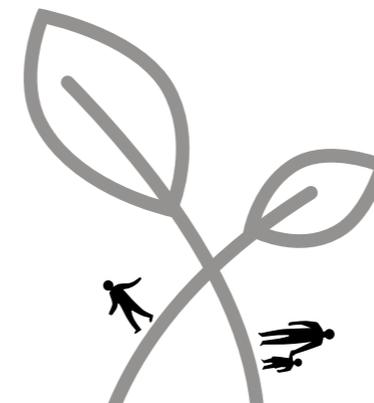
Groups also tell us that inclusion is vital for building a real sense of community. We share this belief. A focus on providing accessible transport means that everyone in a community group can travel together, regardless of whether a member may have a disability or mobility difficulty.

what we do

Our Group Transport service provides accessible, low-cost minibuses to a wide range of local community groups – from under 5s groups to over 60s clubs, faith groups, sports clubs, disabled groups and many more. This enables people to access various social, cultural, faith-based and healthy-living activities in Leeds, Hackney, Islington, Haringey, Lambeth, Southwark, Hull and Bristol.

After joining as a member of one of our Group Transport programmes, community groups can book one of our fleet of accessible minibuses at a subsidised rate. We also provide low-cost minibus driver (MiDAS) training so that they can drive the minibuses themselves should they wish to. Group Transport is financially supported by profits from HCT Group's commercial activities and by Hackney Council, Haringey Council and Bristol City Council in their localities – increasing the positive difference we can make.

To identify our impact, Group Transport teams across the organisation host annual local user fora where service users can voice their compliments or concerns with the service and provide invaluable insights into emerging needs that will help us to develop new services. These fora are supplemented by annual membership feedback surveys that assess our continued impact as well as our operational performance.





the West of England Centre for Inclusive Living (WECIL), Bristol

WECIL is an organisation run by and for disabled people in Bristol and the surrounding area. They provide innovative services that aim to empower disabled people, giving them the opportunity to gain choice and control over their lives.

One of their pioneering services is a peer support project that provides information and advice for disabled people on everything from managing benefits and accessing services to social activities.

The advice is provided by peer support volunteers – disabled people who have been trained to provide advice and guidance. This means the advice is delivered by a friendly face and is shaped by the adviser's own practical experiences, tips and tricks for leading a more independent life.

Bristol Community Transport provides accessible transport for the project's regular social activities, which focus on taking disabled people to the events and places they want to go, but where there are barriers to access if travelling alone.

'The journey there can be one of the biggest barriers that disabled people face when they want to lead independent lives,' explains Anna Wheeler, Peer Support Coordinator at WECIL. 'For many, these events are their only opportunity to have a social life.'

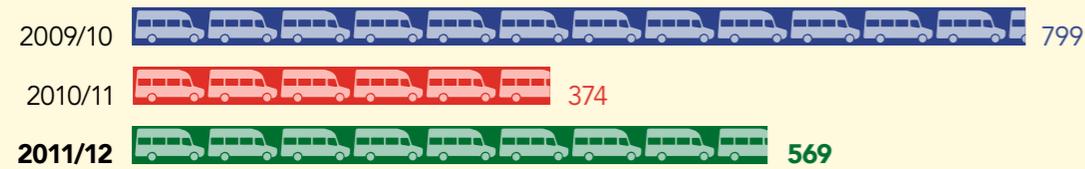
'Travelling together means we can provide a safe and supportive environment that provides an opportunity for peer support – it's a real part of the social event. All the Bristol Community Transport staff – from those answering the phone and organising the transport to the drivers themselves – are capable, competent, welcoming and best of all adaptable – helping to meet our often complex access needs.'

'the journey there can be one of the biggest barriers that disabled people face when they want to lead independent lives'

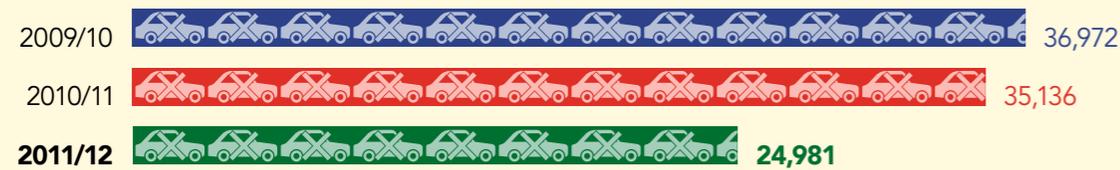
Passenger journeys provided to community groups



Individuals trained as minibus (MiDAS) drivers



Car journeys saved²



²

This calculation is based on an average Group Transport occupancy rate of eight passengers per vehicle, and thus eight individual journeys. Considering average car occupancy of two passengers, a saving of six individual trips has been made, or three car journeys, per Group Transport trip

a year in numbers

Our key performance indicators for Group Transport in year ending 31 March 2012 show a marked and troubling decline of 29% in the take-up of our group transport service in terms of passenger trips. The figures, which include the contribution made by Bristol Community Transport after they joined HCT Group, arguably point to changes to the environment for community groups themselves.

Group leaders tell us that the funding environment has become more and more challenging. Many groups have been forced to fold or to restrict their activities in the face of cuts to grants – as local authorities are pressed into difficult choices as they manage their own cuts in funding.

We believe that the sharp downward trend in Group Transport use is a barometer of the damage done to the social capital of our communities. As we have seen, the social need for transport is present and increasing, but that need is increasingly expressed through individual travel, rather than activities organised by people coming together. We do not welcome this atomisation of community life.

We also recognise that on our part, we have much more to do to make our Group Transport offer more appealing and accessible to groups. Over the coming year, we will seek to address issues with our fleet, ease of booking, pricing and other areas highlighted for us to improve by groups.

66,616

The total number of passenger trips provided to community groups in 2011/12.

-29%

The net decrease in the number of passenger trips taken-up by community groups, showing the immense challenges for community groups in our areas of operation.

57%

The percentage of community groups that had ceased operation or could no longer be reached in a recent London exercise to contact lapsed Group Transport members.

+16%

Overall, the net increase in passenger trips to members of community groups or to disadvantaged individuals (see [Providing choice and access](#) pages 14–15) across all Group activities – increasing the good that we do.

The Petchey Academy, Hackney

24

The Petchey Academy in Hackney uses our Group Transport service to take part in a wide range of sports – such as netball, football and rugby – particularly to play fixtures against other schools.

‘Sport is a really important part of our students’ development,’ explains Huw Levis, Lead in PE at the Petchey Academy. ‘It is a microcosm of life that enables them to win and lose with friends, learning to deal with that from a young age. It’s also about getting our students to compete at a higher level, widening their experience and horizons. This year, the Year 11 football team won the Inner London Schools Cup Final – the first school in Hackney to get that far in the competition.’

‘the availability of subsidised transport from HCT Group means that we can really have an impact as a PE department’

connecting community groups

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developing our communities

making a difference

Our Learning Centres in Hackney and Leeds focus on the employment and skills needs of the communities where we work, providing a variety of courses and programmes. Traditionally, the focus of our programmes has been around preparing people for rewarding careers in the transport industry.

In 20011/12 the funding landscape for employment and skills changed dramatically. Our Learning Centre took this as an opportunity to reflect on two key questions:

- What is the social impact we are really trying to achieve?
- Where do our strengths lie?

The answer was clear – the difference that the Learning Centre is trying to make is to ensure that learners build the skills and confidence to move from unemployment to sustainable employment, creating a step change in their life chances.

We have always understood that training is not an end in itself if we are to have a real impact. For many of our learners, long periods of unemployment or other personal circumstances have sapped their confidence and self-esteem, eroded the skills and qualities needed to succeed at work and placed real barriers to accessing the labour market. As a consequence, the right support to get and keep a job has always been a constant theme throughout each of our programmes.

Whilst we understand the world of transport and it will always be a part of our offer, we have identified that our Learning Centres also have real strengths in supporting learners to develop the day-to-day skills needed to thrive in employment, in mentoring for confidence, in providing information, advice and guidance to highlight choices and options, and in ongoing job search support.

Our review has led to marked change in our offer, focussing on programmes for skills and employment that can have a real impact on learner progression to jobs or further study. For the first time, we now offer more non-transport related programmes than transport related ones. We anticipate that this trend will continue for as long as it remains the best way to make a difference in our communities.



what we do

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Our Learning Centres work with a wide variety of agencies, partners and funders to deliver courses in a rolling programme that seeks to meet the needs of our communities. We deliver accredited courses to people who are unemployed or classified as economically inactive that are designed explicitly to support them to achieve employment outcomes.

Our programmes include:

- Passenger Assistant Training
- Minibus Driver Awareness Scheme (MiDAS)
- Passenger Carrying Vehicle (PCV)
- Customer Service
- Health and Social Care
- Road Passenger Vehicle Driving (NVQ)
- Road Passenger transport (NVQ)
- Certificate of Professional Competence (CPC) for Drivers
- Employability and Work Skills (Level 1)
- Emergency First Aid
- Personal and Professional Development (Level 1)
- Supporting Teaching and Learning in Schools (Level 2)
- Fashion and Clothing (Level 2)



a year in numbers

a changing environment

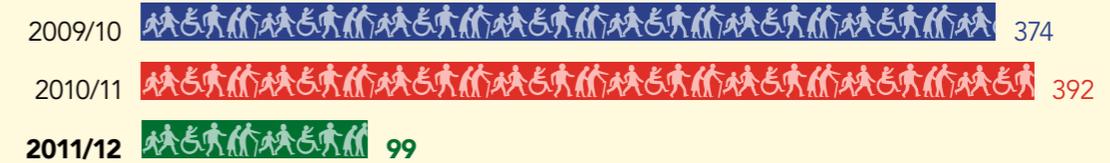
The dramatic change to our funding environment and the need to reshape our offer to learners as a consequence has led to a temporary decline in the number of learners achieving qualifications during the reporting period. However, the shift to employment outcomes as a clear priority has led to an increase in total employment outcomes – a remarkable achievement.

a new beginning

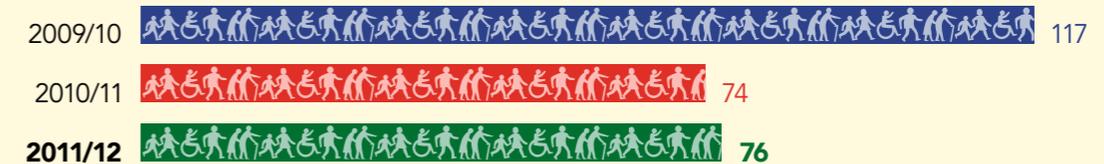
When we look at the number of new learners starting programmes in the 2011/12 financial year, the impact of the new course offer becomes clear. From November 2011 to March 2012, the Learning Centre registered 385 new learners starting on programmes that award their qualifications in the forthcoming financial year. The new offer is attracting learners in large numbers and we believe the foundations are now in place for a dramatic increase in our social impact.

29

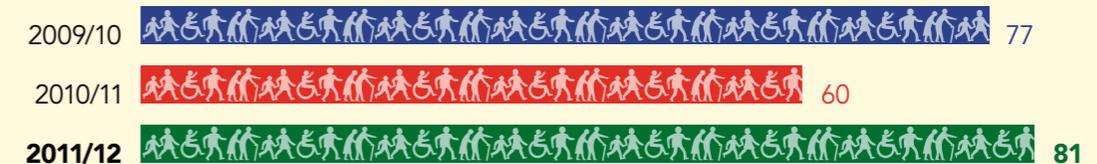
Number of unemployed people who gained qualifications



Number of unemployed people who gained employment



Number of employed people who gained qualifications



Gemma's story

30

Level 2 Certificate in Customer Service

Capital Call booking agent

HCT Group's Transport Coordination Centre

'I was looking for a course that could lead into work. I was interested in customer service as I thought that there would be opportunities there.

'I had spent the most of the past 12 years as a homemaker, raising my young family, but was really keen to get back into a job. I had been on courses before, but they hadn't really led to anything and I'd found work hard to come by.

'I decided to take the Customer Service course at HCT Group. The staff were really supportive any time I needed help – and the tutor really pushed us to achieve. I've had a great experience that's really boosted my confidence. I've now got the skills and experience to deal well with people and situations at work.

'Even better, I applied for a vacancy at the Capital Call contact centre – and I was successful. I'm really enjoying being back at work.'

'I've now got the skills and experience to deal well with people and situations at work'



Roshane's story

31

Level 2 Certificate in Customer Service

Capital Call booking agent

HCT Group's Transport Coordination Centre

'I was made redundant from my job as a nursery assistant and had been unemployed for three months – it was a really depressing experience.

'When I first started on the customer service programme I was sceptical – I had originally wanted to do health and social care. With the help of the tutors I was able to discover that there was much more to customer service than I had expected – it was really interesting.

'We learned a lot more than just customer service – I also got a lot of support with finding a job: how to do CVs and applications, what sort of vacancies were coming up and how to prepare.

'I've now got a job at the Capital Call contact centre. I feel great – the job is really good and it's great to be using my new skills where I can help people.'

'I feel great – the job is really good and it's great to be using my new skills where I can help people'



doing business better

making a difference

At HCT Group we aim to take every opportunity we can to maximise the good that we do – and that includes how we conduct our day-to-day business on our commercial side.

We recognise that we are an indivisible part of the communities where we work and that our actions as an economic entity can make a real difference – particularly as we have a depot or operations in seven of England's 15 most deprived boroughs.³ In a practical sense, this means thinking about who our suppliers are, how we go about recruitment and what else we can do to have a social impact.

choosing our suppliers

Wherever practical, we aim to direct our expenditure as an organisation to suppliers that are local to our operations or are in areas of high economic deprivation – as these are often the same. In 2011/12, we have also conducted two pilot projects to assess if we can go further in increasing the social impact of our spend.

We have conducted a fairtrade procurement project across three of our largest depots, ensuring that staff consumables are fairtrade certified where possible. We are seeking to roll this out across HCT Group in the coming year, and extend the reach of the project to more items by working with fairtrade suppliers.

3

Index of multiple deprivation 2010, by rank of average rank

We also aim to procure from social enterprises and cooperatives wherever possible. We have run a pilot project in IT and telecoms to identify and select suppliers that share our values.

This has involved selecting co-op suppliers for our mobile phones and web design, a wind-powered solution for our web hosting and Computer Aid, a charity that reconditions old equipment for use in the developing world as our IT recycler. We will be extending this pilot to other areas of our procurement in 2012/13.

sharing our knowledge

Our journey began as Hackney Community Transport, a small community transport charity. As we have grown to become a social enterprise of increasingly national scale, we have learned a great deal about how to grow, how to succeed in new marketplaces and how to operationally deliver on our promises.

We believe that we have a responsibility to support our peers in the community transport movement who are on a similar journey. In 2011/12 our Business Development and Improvement Unit participated in a major CTA project to support rural community transport, providing support for seven such organisations on the path to growth through trade. The programme included professional development for staff and ongoing advice and support in business development and approaches to tendering.

New jobs created



Proportion of remuneration to employees in areas of disadvantage



Total payments made to suppliers or subcontractors



2011/12

Proportion of total payments made to suppliers or subcontractors in areas of disadvantage



2011/12

a year in numbers

We measure our performance on a variety of economic measures including job creation, whether our spend on wages is going to areas of economic disadvantage and how we are targeting spend to suppliers in areas of disadvantage.

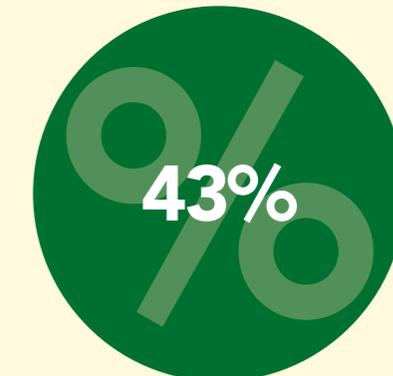
The figures show that HCT Group is playing a strong role in the economic life of some of England's most deprived communities, with 67% of our wages spend going to areas of economic disadvantage. 21% of our spend with suppliers went to areas of economic disadvantage, however there are some types of spending that present real challenges for a public transport provider to procure locally. When we exclude items where local procurement is not practical – vehicle leasing, fuel and insurance – the impact of our local approach becomes clearer – with 43% being made to suppliers in those areas.

Total payments made to suppliers or subcontractors, excluding items where local procurement is not practical⁴



2011/12

Proportion of total payments made to suppliers or subcontractors in areas of disadvantage, excluding items where local procurement is not practical⁴



2011/12

⁴ Vehicle leasing, fuel and insurance

caring for the environment



what we do

At HCT Group, our Caring for the Environment programme is a key part of our approach to maximising our community benefit as a social enterprise.

The programme began in 2009/10 and has continued into 2011/12. It comprises of three distinct but complementary strands of work that enable us to reduce the impact we make on the environment.

measuring our environmental impact

We operate a fleet of over 360 buses, minibuses and community cars across our 11 depots. This makes understanding the impact we have on the environment very important, as it enables us to work on actively reducing it.

We now measure annually the organisation's annual carbon footprint for the first time – allowing us to work out our CO₂e emitted per kilometre driven and our CO₂e emitted per passenger journey. These benchmarks will allow us to take action on reducing our footprint and identify whether we have succeeded.

We have also begun working towards the Green Mark, carrying out environmental audits in key depots and developing the building blocks for an environmental management system for HCT Group in line with ISO 14001: 2004.

maximising our positive impact

As a public transport provider, we support an environmentally friendly choice for individuals and groups alike. One of the key activities we deliver as a social enterprise is Group Transport – accessible minibuses for a wide range of community groups – a service that is financially supported by our broader transport services.

We deliver community transport in five London boroughs, plus Leeds, Hull and Bristol. We have worked hard to support community groups to travel together, saving 24,981 car journeys with a consequent environmental benefit.

Our community transport operations also provide MiDAS training – which includes driving in an environmentally friendly manner. During the course of 2011/12, 569 community drivers received this training.



making change happen

Despite the positive choice represented by public transport and groups travelling together, our vehicles still burn fossil fuels. We have put in place a wide variety of projects to reduce the environmental impact attendant on running a bus company. This has included purchasing fuel-efficient vehicles, using ultra-low-sulphur fuels, a recycling project that avoids waste going to landfill, a maintenance schedule that maximises fuel efficiency and a policy of keeping our fleet age well below the industry average.

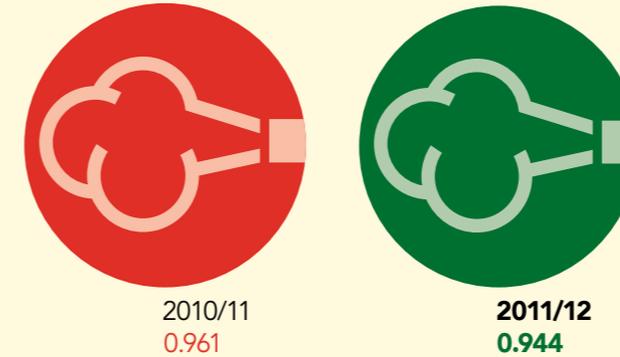
We have put in place systems to actively manage and reduce our use of water and power, including a pilot evaluating the use of waterless urinals at Ash Grove – our largest depot – which will save up to 300,000 litres of water a year.

We have continued to roll out across the group our exciting telematics project to reduce fuel use. Telematics provides a real-time display for the driver, showing them the environmental impact of their driving. Their performance on harsh braking or accelerating, over-revving and so on is shown using an easy-to-follow traffic light system. The data is also available to managers – drivers with strong performances can be praised, and those with work still to do can be supported to improve through further professional development.

Average age of fleet (years)



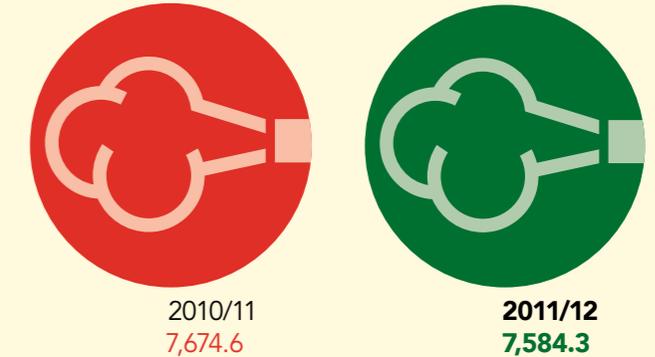
CO₂ emissions per km driven (kg)



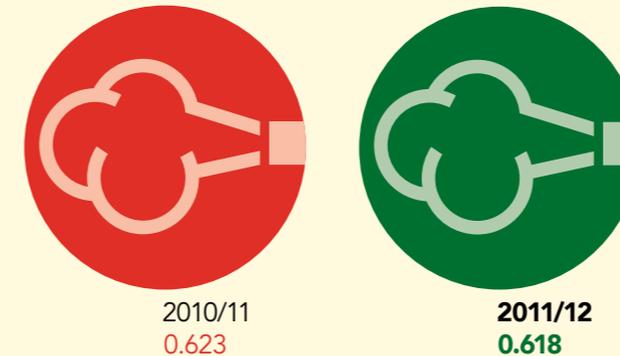
a year in numbers

Key performance indicators for our environmental impact in year ending 31 March 2012 show that we have been able to reduce its intensity in both absolute and relative terms.

Carbon footprint (tonnes CO₂ equivalent)



CO₂ emissions per passenger journey (kg)



promoting safety

what we do

The safety of our staff, passengers, service users and the public at large is a clear priority for HCT Group. We ensure that health and safety practices at work are consistent and rigorously monitored. Health and safety forms a part of each staff member's induction, and regular briefings are undertaken to ensure that staff understand their responsibility to minimise risk in all areas of their work.

Instructions on safe working practices are included within our health and safety policy, which every member of staff is provided with and must sign as a term of employment. Staff supervisors are responsible for ensuring that all of their team members have read and fully understood all relevant health and safety policies and procedures. This policy is reviewed annually or on significant changes to our business, and modified to ensure its effectiveness.

During 2011/12 we have undertaken a variety of projects to improve our safety. In September 2011, HCT Group was awarded an important external accreditation of our health and safety management systems – SAFEcontractor. We have also implemented a new incident management system, conducted a major safety project in our engineering pit area and increased by fourfold the safety indicators under active management.

HCT Group does whatever it can to maintain a safe environment. This includes carrying out risk assessments and reviewing them when necessary; providing adequate resources to maintain and improve standards of health and safety; providing and maintaining systems of work which are safe and without risk to health; ensuring all machinery, plant and equipment is maintained in a safe condition, among many other measures.

All depots have:

- a depot manager and deputy manager with a health and safety qualification to a minimum of NVQ Level 3
- at least one trained risk assessor
- at least one trained COSHH (control of substances hazardous to health) risk assessor
- a traffic management plan
- a personal protective equipment (PPE) policy
- an appointed fire warden
- a person trained in first aid.

a year in numbers

42

Data from 2011/12 shows an increase in our on-road accident statistics. This can be attributed in part to a combination of changing fleet/service structure. However, we clearly need to do more to improve our performance in this regard. As a consequence, a Collisions Reduction Group, chaired by HCT Group's Chief Financial Officer, has been established to actively manage our measures to reduce on-road accidents.

Accidents per million miles



2009/10
60.1



2010/11
50.4



2011/12
78.4





staying accountable

what we do

As a social enterprise, it is imperative that we deliver on our mission effectively, with a view to making the greatest possible long-term impact. This means it is critical to remain accountable to our stakeholders: our beneficiaries, our service users, our employees and others – engaging with them at every opportunity. HCT Group has put in place a scalable approach to accountability that keeps both the social mission and the financial and operational excellence of the organisation heading in an ambitious and achievable direction.

Board of Trustees

As HCT Group has grown, our governance needs have changed and developed. We have put in place an experienced Board with a very broad range of sector-specific skills. The board meets regularly and has a maximum of eleven members, each on a three year rolling cycle of membership.

Regional Advisory Committees

To keep the social mission at the forefront of our business decisions, we have created four Regional Advisory Committees (RACs), in Yorkshire, Bristol, and Northeast London – the south London RAC is still in development. RACs comprise beneficiaries, stakeholders and service users and meet independently twice a year to develop and make recommendations on the allocation of HCT Group's social investment, highlight any regional-specific opportunities to increase our impact and advise on the current operation of services in their regions.

Social Enterprise Champions

Effective two-way engagement with staff about our mission is critical if we are to achieve our potential as a social enterprise. Last year, 18 frontline staff from across the Group participated in our Champions programme, learning all about social enterprise, our own social impact and why it's a good idea. That first intake of Champions have been getting the message about our social mission across to colleagues, helping with inductions, providing tours to visitors and writing promotional material. They will soon be joined by a new intake from this year, building a critical mass of staff who can support their colleagues to understand what social enterprise really means.

external accountability

As well as remaining accountable to ourselves, our employees and our service users, we must also remain accountable to our funders: social investors, commercial customers and grant-makers. Regular performance measurement for both operational activity and social impact has been built into our systems to monitor our progress in delivering our mission, to better inform our management decisions and to provide information for our partners.

| Economic impact | | 2010/11 | 2011/12 | The future |
|-----------------------------|---|----------------|----------------|--|
| Financial performance | Total incoming resources (turnover) ⁵ | £28.1m | £28.6m | Our target is to turn over £45m by 2015 |
| Social investment | Profit reinvested back into activities for community benefit | £0.3m | £0.2m | By 2015 we aim to have reinvested at total of £2.5m |
| | % of prior year's profit | 37% | 38% | We aim to reinvest 30% of the previous year's profit |
| Additional investment | External investment attracted into areas of disadvantage ⁶ | £1.7m | £0.9m | We aim to grow this figure by 5% each year |
| Employment | Number of employees | 635 | 630 | We aim to grow this figure by 10% each year |
| | Remuneration to employees | £14.3m | £14.7m | |
| | % of wage bill to employees in areas of disadvantage | 73% | 67% | |
| Job creation | FTE jobs created at HCT Group | 40 | 5 | We aim to grow this figure by 10% each year |
| | % of those were created in areas of disadvantage | 100% | — | We aim to create at least 89% of our jobs in areas of disadvantage |
| | Number of new hires who were formerly unemployed | 40 | — | |
| Suppliers | Payments made to suppliers or subcontractors | £10.54m | £13.68m | |
| | % of total spend in areas of disadvantage | 27% | 21% | |
| Social impact | | 2010/11 | 2011/12 | The future |
| Community transport | Passenger journeys provided to community groups ⁷ | 93,696 | 66,616 | We aim to grow this figure by 10% each year |
| | Passenger journeys provided to disadvantaged individuals ⁸ | 163,240 | 230,213 | We aim to grow this figure by 10% each year |
| Education/training | Individuals not working for HCT Group who gained qualifications ⁹ as a result of training/support by HCT Group | 452 | 180 | We aim to grow this figure by 10% each year |
| | Those who were previously unemployed | 392 | 99 | |
| | Those who were previously employed | 60 | 81 | |
| External job creation | Unemployed people who obtained jobs outside HCT Group as a result of training and support provided by HCT Group | 74 | 76 | We aim to grow this figure by 10% each year |
| Environmental impact | | 2010/11 | 2011/12 | The future |
| General | Car journeys saved through the use of community group transport ¹⁰ | 35,156 | 24,981 | We aim to have saved 167,000 passenger journeys by 2015 |
| | Individuals trained to drive in an environmentally friendly manner | 374 | 569 | We aim to have trained 2,780 individuals by 2015 |
| | Average age of fleet (years) | 3.9 | 6.0 | We aim to maintain an average fleet age of less than 7 years |
| Emissions | GHG emissions (tonnes of CO ₂ e) | 7,674.6 | 7,584.3 | |
| | CO ₂ emissions per passenger journey (kg) | 0.623 | 0.618 | |
| | CO ₂ emissions per km driven (kg) | 0.961 | 0.944 | |
| Diversity monitoring | | 2010/11 | 2011/12 | |
| Management diversity | Proportion female | 40% | 36% | |
| | Proportion ethnic minority (non-white) | 16% | 11% | |
| Employee diversity | Proportion female | 22% | 24% | |

measuring our results

As a part of our social impact measurement and reporting, we have collected data around certain key performance indicators that we identified as critical to the impact and service we deliver. This summary, developed by Bridges Ventures and adapted to meet the needs of HCT Group, displays our previous and current performance, as well as our plans and targets for the future.

⁵ 2011/12 unaudited

⁶ The bottom 25% of local authorities according to the Index of Multiple Deprivation (IMD 2007)

⁷ Voluntary or community groups operating on a not-for-profit basis

⁸ People who may be at risk of social exclusion through poor (or lack of) access to transport due to physical restrictions, lack of information, restricted availability of public transport or cost

⁹ Nationally accredited transport and health and social care qualifications

¹⁰ Based on eight passengers travelling on each Group Transport trip, compared to two passengers for an average car journey, resulting in a saving of three car journeys

About HCT Group

HCT Group is a social enterprise in the transport industry, safely providing well over 13 million passenger trips on our buses every year. We deliver a range of transport services – from London red buses to social services transport, from school transport to Park and Ride, from community transport to education and training.

We reinvest the profits from our commercial work into high social impact transport services or projects in the communities we serve, and into providing training opportunities for people who are long-term unemployed – making a real difference to people's lives.

For more information, see www.hctgroup.org

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