


# WEST MIDLANDS TRAVEL LIMITED







## S172 statement

This statement is made in accordance with section 414CZA Companies Act 2006 (as amended).

In accordance with their duties under section 172(1) Companies Act 2006, the Company's Directors have collectively, and individually, acted in a way that they consider, in good faith, promotes the success of the Company for the benefit of its members as a whole.
















In doing so they have had regard, not just to financial factors – denoted by the  symbol – but also the factors specified in s.172(1)(a) to (f) Companies Act 2006 (the “Factors”) – denoted by the symbols shown below.

The table below explains why the Directors always have regard to the Factors in their decision-making:

Factor	Explanation of why Directors have regard to this Factor
<p><i>(a) The likely consequences of any long-term decision</i></p> 	<p>Our renewed Vision – which is to be the world leader in mass transit and lead in safety, reliability and environmental standards, and is rooted in a belief that driving modal shift from cars to high quality mass transit is fundamental to a safe, green and prosperous future - means that we must make decisions for the long-term and that we must also consider the impacts of such long-term decisions as regards their ability to further and achieve our Vision.</p> <p>Further information about the Group's Vision, and how this has formulated our Purpose and is underpinned by our Values, is set out on page 19 of the Directors' Report.</p>
<p><i>(b) The interests of the Company's employees</i></p> 	<p>Our employees and members of our wider workforce are our most valuable asset. They are the key to realising our Vision and achieving our Purpose. See page 7 of the Directors' Report for information about how we engage with our employees to enable us to take their views and interests into account in decision-making.</p>
<p><i>(c) The need to foster business relationships with stakeholders</i></p> 	<p>Our customers are the heart of our business and we strive to earn their loyalty by providing safe, reliable and great value multi-modal services. We also foster strong relationships with other key stakeholders including central and local government and transport authorities, elected members, our regulators, industry groups and our suppliers. See page 12 of the Directors' Report for who our key stakeholders are and how we foster relationships with them to enable us to take their views and interests into account in decision-making.</p>
<p><i>(d) The impact of the Company's operations on the community and environment</i></p> 	<p>We play a vital role in the communities we serve by connecting the people who live in those communities with their work, leisure, family and friends. We are also focused on reducing the environmental impact of our operations. Per passenger, bus travel is less polluting than trains and vastly better than petrol and diesel cars. We are now taking this one step further through our 2030 pledge to replace all of our diesel fleet with zero emission vehicles. As such, modal shift (getting people out of cars and onto buses) is the single most important thing we can do. Because of this, we take both the community and the environment into careful consideration in our decision-making.</p>
<p><i>(e) Maintaining a reputation of high standards and business conduct</i></p> 	<p>Our reputation is key. It underpins our ability to earn the loyalty of our customers and thereby to grow our business through increased commercial passenger journeys and contract wins. We pride ourselves on being one of, if not the, safest transport service providers in the world. As a bus operator, we are also required to hold and maintain a PSV operator licence, pursuant to which we must meet a requirement of good repute. We will always therefore consider the importance of our reputation when making decisions.</p>
<p><i>(f) Acting fairly between members of the Company</i></p> 	<p>We are a wholly owned subsidiary and therefore have only one shareholder to whom we are accountable. That said, everything we do well benefits our sole shareholder, financially through the returns we generate and reputationally through the way we operate. See page 32 onwards of the Financial Statements for information on financial performance.</p>

## WEST MIDLANDS TRAVEL LIMITED

The table below describes certain key decisions taken by the Company's Directors during its financial year ended 31 December 2020 and how the Board had regard (among other matters) to the Factors in those decisions:

Key Board Decision	Factor(s)	Explanation of how the Directors have had regard to these Factors
<i>Purchase of 75 new double decker hybrid buses and 29 new electric buses</i>		The new vehicles have expected useful economic lives of 15-17 years, contributing to the Company's fixed asset base and enabling it to use those assets to continue to provide its bus services in the long-term
		Newer vehicles are more reliable and provide a better experience both for our customers journeys and our drivers' driving experience, together with lower costs of ongoing maintenance for the Company
		The new vehicles have lower emissions than traditional diesel buses, to the benefit of both the local communities and the environment, also advancing the Company's reputation as one which rightly cares about these matters
		The purchase of the vehicles from the Company's long-term bus supplier, at favourable prices based on volumes, with whom the Company worked to develop the design and specification of the such vehicles, served to continue to foster good relations with such supplier
<i>Upgrade of 500 buses by retro-fitting engines to bring them up to the cleanest EURO VI emission standard</i>		The upgrade increased the value of these fixed assets, enhancing the Company's fixed asset base and enabling it to use those assets to continue to provide its bus services in the long-term
		The upgrades reduce the carbon and nitrogen oxide emissions from these vehicles, to the benefit of both the local communities they serve and the environment, also advancing the Company's reputation as one which rightly cares about these matters
		The Company fostered a new relationship with a new supplier for the majority of the upgrade work and received Government grant funding to part pay the costs
<i>Launch of the Post Qualification Support (PQS) programme; a continuous personalised training plan aimed at newly qualified bus drivers to support them through the first 6-12 months of their new career</i>		The PQS provides a valuable personalised learning tool for new drivers, who have been shown to have the highest number of incidents within the first 6-12 months of their career. Approximately 5,000 drivers in the West Midlands will benefit from PQS by enhancing their driving skills and road safety awareness, creating a positive impact on the local community
		The PQS is expected to decrease driver turnover by keeping new employees engaged, and enhancing their performance, in their job, helping the Company to maintain a stable workforce to the benefit of both the Company and those new employees over the long-term
		The PQS should create safer drivers which will result in fewer road traffic accidents and personal injuries resulting from them, maintaining the Company's reputation as one which puts safety first and invests in its workforce and reducing costs from fewer claims
<i>Launch of the Engineering Excellence (EE) programme; designed to identify areas of improvement in all aspects of the business, including to achieve cost-savings, safety improvements and better customer satisfaction</i>		The EE programme could generate significant cost savings for the Company, via the EE team tasked to look at every aspect of the business, making the business more profitable in the longer-term
		The new EE team would be tasked with conducting deep dives into bus breakdowns, identifying common causes and implementing fixes, thereby improving the customer experience, in turn earning customers' loyalty over the long-term
		The new EE team would also be tasked with investigating incidents such as bus fires, identifying the common root causes and implementing fixes, thereby enhancing the safety of passengers, drivers and the reputation of the Company for putting safety first and reducing the Company's costs through fewer vehicle write offs and replacements
<i>Continued involvement in the West Midlands Bus Alliance to deliver high levels of passenger satisfaction and drive forward investment in bus services</i>		The continued Alliance allows us to continue to foster relationships with many of our key stakeholder groups resulting in improved services for our valued customers through transport improvement initiatives delivered in collaboration with such stakeholders
		The continued Alliance should cement our reputation as a provider of clean and green mass transit and provide us with a platform to make further investment in zero emissions vehicles, providing us with long-term valuable assets