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**DEREGULATION OF BUS SERVICES IN THE TRIAL AREAS 1981-84**

**by**

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**The views expressed in this report are not necessarily those of the  
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# DEREGULATION OF BUS SERVICES IN THE TRIAL AREAS 1981-84

## ABSTRACT

Trial Areas, where stage carriage bus services were deregulated, were designated in parts of Norfolk, Hereford and Worcester, and Devon, following the Transport Act 1980. All three areas were mainly rural, Hereford being the largest town in any of them. Hereford and Worcester County Council adopted a new revenue support policy, awarding contracts for subsidised bus services by competitive tender. This resulted in a transfer of services between operators, with a substantial saving in total revenue support, but little overall change in the rural bus network. There was considerable competition between unsubsidised services, mainly in Hereford but also on some inter-urban routes, with dramatic fare reductions, frequency increases and continual service changes. In the other counties revenue support policies were unaltered, and councils looked to operators to take initiatives in developing new services. The resulting changes in Norfolk and Devon were on a very small scale, and insufficient to prevent a slow overall rate of decline in rural bus services.

In itself, deregulation of bus services appears to have had little effect in rural areas, but it has led to lower fares and more frequent services in the town of Hereford and on some inter-urban routes. This competition appears to be unstable, and it is not yet clear what its long-term effects may be.

## 1. INTRODUCTION

The Transport Act 1980 made provision for the Secretary of State for Transport to designate Trial Areas, within which road service licensing for the operation of stage carriage bus services is suspended and bus operators may run whatever services they choose. Such a designation may only be made on application by the local authority concerned. So far three Trial Areas have been designated, in parts of Norfolk, Hereford and Worcester, and Devon.

All three county councils selected mainly rural areas so that profitable services in major urban areas (and, in some cases, inter-urban services) would remain regulated, and thus be protected from competition. Although all three areas were rural there were some interesting differences between them in the comprehensiveness of their bus service networks, in the relative importance of private and public sector bus operators, in the extent to which private operators were prepared to expand their stage carriage activities and in the degree to which they were encouraged by county councils to do so.

The general relaxation of licensing caused by the Act and economic conditions since it came into effect (October 1980) have brought about many changes in bus services and fares throughout the country. The Trial Areas have not been isolated from these influences, and considerable care is needed to distinguish their effects from those of stage carriage deregulation. Further, it is possible that insufficient time has elapsed for longer term effects of deregulation to have been observed. Nevertheless, in view of the current general interest in deregulation of the bus industry, it is worth reporting experience in the Trial Areas to provide a basis for informed discussion. This report reviews developments in each area from its inception to the present time (March 1984) and assesses the extent to which they are due to deregulation or to other factors.

## 2. THE NORFOLK TRIAL AREA

This was the first Trial Area to be designated: it came into effect on 6 April 1981 (Department of Transport 1981 a). The County Council had called for relaxation of bus service regulation in its Public Transport Plan for 1979–80 (Norfolk County Council 1979) and sought designation for an area of the county soon after the Transport Act 1980 came into effect.

The designated area is shown in Figure 1. It is a relatively sparsely populated area in the north-west of the county, containing a number of small towns — Swaffham, East Dereham, Fakenham, Wells-next-the-Sea and Hunstanton. There is also a small detached part of the area (sometimes referred to as an “island”) in the centre of Norwich; its purpose is to allow operators to run unlicensed services between places in the main part of the area, and Norwich which is the major town in the county, without deregulating urban services within Norwich. Major inter-urban services, which were an important profitable component of the established bus network were protected from competition (at least over the whole of their routes) by unlicensed services by excluding King’s Lynn (whence services ran to Norwich and Hunstanton) and Cromer (with services to Norwich) from the Trial Area.

Before the Trial Area began, most of the stage carriage bus services in Norfolk were provided by Eastern Counties Omnibus Company, an NBC subsidiary. Before 1980, revenue support payments by the County Council represented a substantial proportion of the company’s operating deficit. But the shortfall began to increase, and in 1980–81 the company received £0.5M in revenue support and £0.5M in contributions to its concessionary fare scheme, but still lost £0.8M after allowing for asset utilisation charges (including interest payments).

The independent operators on the other hand were less involved in stage carriage operation, tending to concentrate on contract work and private hire. They ran some stage carriage services on a local basis, but with very little support from the County Council, which depended very much on Eastern Counties as the main planner and provider of bus services. The Council’s purpose in seeking a Trial Area was to encourage private operators by removing licensing restrictions: it continued its revenue support policies unaltered and took no positive action to stimulate new or competitive services.

This neutral approach by the Council and the selection of an area for designation that contained no heavily patronised profitable services or urban routes enabled the application to go forward with little opposition. Eastern Counties were opposed to deregulation in principle but saw little to fear from this scheme and independent operators were indifferent to the proposal. The district councils generally supported the application, with the exceptions of Norwich City Council (only a small part of whose area was included) and North Norfolk District Council, which had misgivings about allowing competition which might endanger network cross-subsidy by Eastern Counties.

After the Trial Area came into effect there was little change in bus services that could be attributed to deregulation. The County Council maintained its non-interventionist policy, it prepared and circulated information to independent operators explaining what the change in the law enabled them to do but in accordance with the policy of leaving it to market forces, arranged no meetings or visits to operators to encourage initiatives. It appeared to TRRL staff that some of the operators did not fully understand the “notes for guidance” they received from the County Council. These were intended for general guidance and not as an interpretation of the law. It must however be recognised that many of the independent operators were not especially interested in expanding their stage services to provide new services or to compete with each other or Eastern Counties on existing routes.

In the period April 1981 – November 1983 Eastern Counties reduced services and increased fares throughout its operating area including Norfolk and the Trial Area in attempts to reduce operating deficits. These changes are summarised in Tables 1 and 2.

**TABLE 1**

Eastern Counties mileage reductions (millions per 4 weeks)

	Before July 1981	After July 1981	After November 1982
All EC services	1.460	1.440	1.159
Norfolk only	0.667	0.652	0.451
Trial Area only	not available	0.133	0.120

**TABLE 2**

Eastern Counties fare increases (Norfolk)

January 1981	12.5%	
January 1982	13.0%	(No special fare changes in Trial Area)
June 1983	9.0%	
November 1983	9.0%	

The company stated that no distinction was made between Trial Area services and those in the remainder of the county. The figures show mileage withdrawn in the Trial Area was lower than elsewhere but this merely reflects the already minimal services provided on many of the rural routes: further reductions would have resulted in complete withdrawals – an outcome the company was anxious to avoid for commercial reasons. There were also examples of fares not being increased in the Trial Area for some journeys where alternative services provided by other operators were available, but this is also a commercial response and not unique to the Trial Area.

During the period when Eastern Counties were reducing mileage in the Trial Area by some 10% the independent sector were making some changes of a lesser nature. One operator (out of a score or so in the Trial Area) retired for health reasons and most of his services were transferred to other operators. A few services were discontinued because of inadequate patronage, others were rerouted in a few cases providing marginal competition for remaining Eastern Counties services. A handful of new non-competitive services was also introduced. Details of these changes are given in Appendix 1.

In November 1983, Eastern Counties sought to improve its financial situation by submitting proposals to the County Council for various networks of bus services the company could provide for different levels of revenue support. The existing level of service would require an annual subsidy of £1.3m but the council opted for a lower level of service costing £0.5m. It was proposed by the bus company that the new network of services should be implemented on January 1st 1984. The County however decided to pay Eastern Counties to continue some services until April 1984 and replaced some 95% of the remainder with services provided by independent operators. The council is still negotiating with the operators, and it is not yet possible to assess the new bus network that will emerge in April, nor to evaluate the resulting savings in revenue support.

Nevertheless, financial restriction, and not deregulation, is clearly the reason for the change.

### 3. THE HEREFORD TRIAL AREA

The proposal by Hereford and Worcester County Council to apply for the designation of much of the old county of Hereford including Hereford City (Figure 2) was much more resolutely opposed. This was partly because the NBC operators Midland Red\* and National Welsh who were experiencing declining demand in the area and had already surrendered a number of rural services to expanding and active independent operators in the previous six years, expected competition following deregulation. Apart from opposition based on such commercial grounds however there was more widespread opposition to the Council's proposals for managing the Trial Area. The Council proposed to discontinue the existing system of revenue support payment to operators of loss-making but socially desirable services and replace it with subsidy contracts let by competitive tender for periods of eighteen to thirty-six months (see Appendix 2 for details). Opponents argued that this would give the Council dictatorial powers over bus operators which were in excess of any control exercised by Traffic Commissioners through road service licensing. The Council on the other hand argued that free competition would be possible for commercially viable services and that its proposals would allow competition through the tendering process for council-subsidised routes. The contracts would also enable the Council to continue its proper coordination function by ensuring that loss-making but socially necessary services were continued.

The campaign against the Council's proposals was spearheaded by Midland Red and was supported by most of the independent operators. In spite of the support they were able to muster, including opposition in the House of Commons, the Trial Area came into force in July 1981 in the original form proposed by the Council (Department of Transport 1981 b). Midland Red and National Welsh had however committed themselves not to tender for council contracts for stage services during the campaign and so, when such contracts were let for the first time, there was inevitably a transfer of some work to private operators – possibly more than if the NBC operators had competed.

#### 3.1 Changes in subsidy

In the initial phase, tenders were invited for 53 services which, it appeared, no operator was willing to continue without subsidy. Twelve of these were Midland Red services and three National Welsh. In the event these companies elected to continue 12 of these services, or, in some cases, parts of them, without subsidy. There was competition for 32 of the contracts, and 19 changed hands (see table 3). The resulting contracts started in September 1981 and initially were for 18-month periods. During this time there were a few changes in the pattern of bus services, with operators withdrawing from services and being replaced by others, and new contracts being awarded for previously unsubsidised services – all by competitive tender. Beginning in April 1983, when the original contracts expired, the process was repeated, but over several months in order to moderate the administrative workload.\*\* A total of 38 contracts was awarded in this process, fewer than before because some had already been re-let, some operators opted to continue services without subsidy, some services were grouped together, and some carried so few passengers that the council decided not to continue subsidising them. As table 3 shows, competition for these contracts was fiercer than in 1981; further, several new operators made bids.

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\* The Midland Red Omnibus Company was divided into smaller operating companies in September 1981. The new company in the Trial Area was Midland Red West but in keeping with local practice the name Midland Red has been used throughout this report.

\*\* However some operators claimed that this reduced their ability to make combined bids for groups of services, which could be operated more efficiently than as independent services.

TABLE 3

	1981	Replacement contracts	New contracts	1983
Total number of contracts put out to tender	53	6	4	38
Number competed for	32	6	4	31
Number of bids	70	21	12	94
Number of changes of operator	19	6	1	10

(Appendix 3 gives details of these changes)

This change in policy resulted in substantial savings in revenue support and in education transport payments (for season tickets on stage carriage services, which were also subject to the tendering process). The annual savings resulting from the 1981 round of tendering were some £62,000 for revenue support (38% of the previous amount) and £65,000 for education transport.\* The savings were due partly to some previously subsidised services now being provided without subsidy, and partly to the payment of lower subsidies to new operators than to the previous ones. However, for a few individual services, the levels of subsidy exceeded what had previously been paid. Thus, while a reduction on subsidy to Midland Red of £83,000 was offset by payments of £4000 to private operators for replacement services, the overall saving was £17,000 less.

It must be recognised that these savings were not achieved without some withdrawals of bus services. The total reduction of Midland Red services in the Trial Area was about 170,000 vehicle miles per annum; this involved the reduction of the Midland Red bus fleet in Hereford from 19 to 13 vehicles and a corresponding loss of employment. However, more than 85 per cent of the mileage withdrawn was replaced by independent operators, the net loss, 25000 miles per annum, (evening and weekend Hereford city and long distance services), being considerably less than the annual mileage of an NBC bus: 42,000 miles (National Bus Company 1983). The reason why these services were not replaced was that they were judged by the County Council to carry too few passengers to justify subsidy.

Subsidy for Trial Area services increased slightly between 1981 and 1983 because six contracts were surrendered and relet, and support was requested for some previously unsubsidised services, leading to four new contracts. Then, in 1983, the County Council reduced or discontinued several poorly used services and achieved further savings. Such changes in the bus service network prevent precise comparisons of overall subsidy levels in 1981 and 1983. It appears however that there was no systematic rise in contract prices: where direct comparison is possible, contract prices in 1983 were at the same level or lower than in 1981. Total revenue support after the 1983 round of contracts was some £74,000 per annum (at 1981 prices) less than that paid immediately before the Trial Area came into effect, a reduction of about 46 per cent.

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\* Although substantial savings were subsequently made in other parts of the county as a result of changes in arrangements for school transport.

## 3.2 Changes in services and fares

Details of all significant changes in services and fares in the Hereford Trial Area are given in Appendices 4 and 5. For purposes of discussion it is convenient to consider services in three groups: Hereford town services; inter-town services; and rural services.

## 3.3 Town services

The most dramatic developments have been in bus services in the town of Hereford and its suburbs (Figure 3). Before the Trial Area, all town services were provided either by Midland Red or by Yeomans Motors – a large independent operator. These town services were supplemented by the urban sections of longer-distance services running into Hereford, provided by Midland Red, Yeomans Motors and other operators. When the Trial Area began, Midland Red declined to make bids for subsidy contracts, and withdrew from all services which did not appear commercially viable – mainly early morning, evening and Sunday services. The County Council sought tenders to replace most of these services, and most of the contracts were awarded to a small independent operator, Flashes Coaches, who was new to the area. This operator also provided other town services at more profitable times of day, inevitably in competition with Midland Red, who responded by reducing fares.

It soon became evident however that the provision of services at this level was overburdening the resources of the new operator, whose previous experience had been limited to rural stage carriage and private hire work: his services became unreliable and his vehicle maintenance standards became unacceptable, eventually leading to the revocation of his PSV operator's licence.\* After 15 months, Flashes Coaches withdrew all its Hereford services, which were taken over on a temporary basis by Yeomans. After a short time Yeomans transferred these services, together with a long-standing, profitable service between Hereford and Credenhill, to Midland Red (for an undisclosed consideration).

But that was not the end of competition in Hereford: an entirely new operator, Stretton Coaches, appeared on the scene and began running cheap local services in Hereford in the Spring of 1983. This provoked a strong commercial reaction from Midland Red, who matched Stretton's fares and began running a free bus just in front of Stretton's services. Competition increased as Stretton began to operate on more routes (including Midland Red's newly acquired Credenhill service) and introduced its own free bus running just ahead of Midland Red services. County Council disapproval brought an end to the use of free buses but uneconomic fares (10p for a 2–3 mile journey and 5p for the 5 mile journey from Hereford to Credenhill, both replacing former 35p fares) continued, as did simultaneous departures by both operators on some journeys. Competition was further intensified later in the year when two more independent operators began running services in Hereford. In January 1984 Midland Red responded by adding five vehicles to its Hereford fleet, and running them just ahead of almost all its competitor's services. At the same time the Midland Red flat fare was increased to 15p; Stretton followed suit but one of the other operators maintained a 10p fare on two routes.

Demand for bus travel in Hereford has increased as a result of this competition, but apparently not enough to support all the additional buses, especially at the current low level of fares. Surveys on Midland Red and Stretton's services on two routes in Hereford in the autumn of 1983 indicated average revenues, between 0730 and 1800,

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\* Bus operators in Trial Areas are subject to exactly the same quality control as elsewhere: Public Service Vehicle Operators are licensed by the Traffic Commissioners provided that they are of good repute, of appropriate financial standing, professionally competent, have adequate maintenance facilities or arrangements for the maintenance of vehicles and are able to operate vehicles legally.

Monday to Saturday, of 51p per service mile (cf the average cost of 106p per vehicle mile quoted by the National Bus Company (1983)). The present situation appears to be unstable and the final outcome is uncertain. Agreement between the operators seems unlikely, in spite of strenuous attempts at co-ordination by the County Council, and it is hard to believe that the small operators will survive the competition by Midland Red indefinitely.

### 3.4 Inter-town services

Competition, or the threat of it, has also affected some of the inter-town services in the area – especially those between Leominster and Hereford. Before the Trial Area Midland Red was the main operator in this corridor, Primrose Motors, a Leominster-based independent, ran one return service a day at times which did not clash with Midland Red. Following deregulation, the independent services were increased in frequency, with some running at similar times to those of Midland Red. This degree of competition was tolerated by Midland Red until 1983, when Primrose Motors began competing in Hereford (see previous section). Part of Midland Red's reaction was to increase service frequencies and reduce fares on Leominster–Hereford services. Surveys in 1983 indicated that competition has increased passenger demand on this route by about one third, but this seems insufficient to cover the additional costs incurred by the operators and this situation, like that in Hereford, may be unstable.

Another independent operator (Lugg Valley Motors) also runs a service between Leominster and Hereford, but by an indirect route serving a number of villages. Yet another operator (Hemmings) introduced a similar, competing service shortly after the Trial Area began, but soon withdrew it, presumably because demand was less than he had expected. The 1983 survey suggested that demand on the Lugg Valley service was virtually the same as before deregulation, and has not been affected by the competition on the direct Leominster–Hereford services.

On the Bromyard–Hereford route, Midland Red lowered fares in response to short-lived competition, and did not raise them again when the competitor withdrew. Passengers also enjoy lower fares on the Ledbury–Hereford service which was abandoned by Midland Red and taken over by an independent, and on the Hay–Hereford route where another small independent has increased his service from two to four per week, at lower fares than National Welsh.

### 3.5 Rural services

The situation is quite different on the rural services, most of which are subsidised. Here, the only competition is for the contracts: there is no incentive to compete on unprofitable routes and in any case the County Council have made it quite clear that anyone who competes with a subsidised service will be effectively excluded from consideration for other contracts. Consequently, the rural network is largely what the County Council has prescribed, although in most cases the fares are lower than the maximum, and in some cases service levels are higher than the minimum specified. The Council considered that the need for certain services (judged by the level of demand) was too small to justify support, and discontinued it. The loss of such services, which is paralleled in many other parts of the country, is a consequence of economic forces rather than of deregulation.

There have also been a few speculative services, designed to cope with small or special demands – for example summer Sunday services to some villages (in 1982, but not repeated in 1983) or evening theatre and bingo services to Hereford. None of these competed with previous services, and would probably have been licensed with no difficulty if the Trial Area had not been designated. That is not to say however that they were not stimulated by the Trial Area, at least in part; the new competitive atmosphere may have encouraged operators to seek new opportunities, and the redistribution of contracts may have produced spare capacity to be redeployed. However, developments of this kind in rural areas have been on a very modest scale, comparable to that observed in Norfolk.

### **3.6 Other effects of deregulation**

Since the deregulation of bus services there has been an increase in the number of operators providing services in Hereford and they now run considerably more buses there. The proliferation of operators and the resulting "fares war" has had a number of consequences. At one stage the fares on many routes were lower than the concessionary fare (16p) offered under the City Council's scheme, which was thus rendered ineffective. There was eventually a fresh agreement between the operators and the council over the level of the concessionary fare and a redistribution of the council's payment to operators.

The increased number of buses caused extra congestion in parts of the City and concern about road safety. The frequency of departures from the limited number of bus stops on occasion forced drivers to double-park or to reverse – both manoeuvres causing concern for pedestrian safety. Congestion was exacerbated by operators seeking to use the most favourable – that is the traditional – departure points, and the practice of some operators of allowing buses to arrive early to gain commercial advantage – a bus arriving later gathers few passengers, even if scheduled to depart first. Congestion would have become intolerable when Midland Red added extra services in January 1984 but the problem was averted when a joint meeting of the operators, police, district and County Council officials agreed to an increase in the number of bus stops, a reallocation of existing stops and some re-routing of departing bus services.

The competition in Hereford City and to a lesser extent the changes in the remainder of the Trial Area have added to the frequency of operator and timetable changes. These changes have been advertised by the operators and notified to the County Council as required by law, and the Council have sought to inform the public through the regular issue and distribution of revised timetable leaflets showing details of all operators services. If this task had been left to the operators they would probably not have performed it in such a comprehensive manner, and the public would have been less well informed about bus services.

Although the provision of passenger information was an important task for the County Council, it was by no means the greatest burden on its staff: the administration of the subsidy contract system required a substantial amount of additional work. However, the existing staff, which was relatively large in order to perform the complex function of public transport coordination in an area with many operators, proved adequate, and the only additional cost was for a small amount of overtime. At the same time the Council has continued to monitor the performance of bus services and to develop new services as the needs for them have arisen.

## **4. THE DEVON TRIAL AREA**

Devon County Council was one of the first to express interest in having a Trial Area and initially considered seeking designation for the whole county and playing an active role to stimulate initiatives and new experimental services. This approach was supported by rural but opposed by urban district councils. The bus operators were also alarmed, fearing competition for their viable services and that subsidy for their unprofitable routes might be withdrawn. A vigorous public campaign by Western National, the local National Bus Company subsidiary, and their employees, caused the Council to reconsider its ideas and a scaled down proposal for the designation of a rural part of the county emerged. This too met with opposition. The bus company suggested to the Council that if a recently completed Market Analysis Project were implemented revenue support could be reduced substantially without any significant loss of service. On the other hand, the proposed Trial Area would result in massive service withdrawals. The Council then postponed its application for designation. It soon became clear however that forecasts of the performance of the revised network had been over optimistic: savings in revenue support were less than anticipated. The County Council sought the assistance of independent operators to maintain much of the

network of rural services and reactivated their proposal for a Trial Area which came into force in October 1982 (Department of Transport 1982).

The Devon Trial Area (Fig 3) consisted of the East and Mid Devon Districts (a large rural area) and an "island" in the centre of Exeter which was included to allow unlicensed services to operate into the city from the remainder of the Trial Area (of Norfolk). This designated area contained a number of small towns – Honiton, Tiverton, Crediton and the coastal resorts of Exmouth, Budleigh Salterton Sidmouth and Seaton, and in this respect provided more suitable opportunities for bus operators than the Norfolk or Hereford areas. The delay in introducing the Trial Area had provided the Council with the opportunity to assess events elsewhere.

The Council decided that a mid course between that of Hereford and Norfolk was appropriate to achieve its objective of increasing the opportunities for operators in the conventional bus service market. Existing revenue support arrangements were continued and staff effort devoted to informing operators of new opportunities open to them in the designated area and encouraging them to work up and implement their own ideas by means of informative guides and a personal visit to every operator.

The main operator in the Trial Area is Devon General\*. The company provides the town bus services in Exeter, Tiverton and Exmouth, a frequent service between most of the small towns and Exeter and some rural services. The independent operators in spite of taking over services discontinued by the larger company over a number of years still play a minor role in providing stage bus services.

Since the Trial Area came into force Devon General have made some timetable and route changes which appear to be unrelated to deregulation. They have also introduced some new and innovatory services (listed in Appendix 6), some of which may have been prompted by potential competition. But there is no reason to suppose licenses would have been refused before the Trial Area was designated.

Devon General has increased fares twice since the Area was designated, by 7½% in December 1982 and by 5% in October 1983. These increases have been applied across the company's operating territory including the Trial Area. Within the Trial Area some special fare reductions were made to combat the few examples of competition. On one route (Tiverton—Exeter) the standard fare of £1.85 was reduced to 50p on certain journeys which were subject to competition from an independent operator (Autojade) who charged £1. On another (Honiton—Exeter) a 65p single fare was reduced to 65p return whilst an independent (Stamps Travel) was operating but reverted to the normal fare scale when the independent withdrew.

The independent operators have also introduced a small number of new non-competitive services and some services previously restricted to certain groups are now open to the general public. None of these changes however depended on deregulation: licenses could have been obtained, although in at least one case the operator might have been deterred by the application procedure, and in another case an operator has voluntarily imposed picking up restrictions on his service to avoid competition with existing services.

There has been one interesting initiative where an unemployed man studied for a Certificate of Professional Competence and obtained an operator's licence but was unable to develop a business outside the Trial Area (his application for a Road Service Licence for a route in Exeter was opposed by Devon County Council and others).

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\* Western National was reorganised into smaller operating companies on January 1st 1983. Devon General was the successor company in the Trial Area.

He then moved into the Trial Area, developed one new non competitive service and now operates several small services for the County Council with revenue support. His business (Red Bus Services) is small and the prospects for improvement are uncertain, but the Council are encouraged that a new business based on stage carriage services has been initiated following deregulation.

Few of the independent operators are inclined to provide competitive services: they are aware that to do so would put at risk the goodwill of Devon General who subcontract work to the private sector and who operate the bus station in Exeter, providing facilities there for some of the independents. They also express doubt about the profitability of providing additional services on existing routes. Nevertheless two operators have attempted to provide such services. One was a daily commuter service with additional off-peak trips on two days a week. This was mainly in competition with British Rail but with Devon General as well over part of the route (between Honiton and Exeter). This service failed to abstract rail users in spite of a price advantage, experienced fares competition from Devon General and suffered from having only one setting down location in Exeter. The operator (Stamp's Travel) sustained losses for some weeks but eventually withdrew. Another operator (Autojade) introduced a competitive service between Tiverton and Exeter to utilise otherwise dead mileage. His service also suffered from fares competition but he continued because any fares collected together with eligibility for fuel duty rebate represented additional revenue for his operation. However when the work for which he took vehicles to Exeter came to an end, the Tiverton—Exeter service could no longer be operated at marginal cost and was therefore withdrawn.

Since the Trial Area was introduced some services have been withdrawn or reduced by Devon General and the independents. This is the result of dwindling patronage and in some cases has been prompted by the Council's withdrawal of revenue support for poorly used services.

The changes resulting from deregulation in Devon have thus been rather limited in scale. Nevertheless the County Council is encouraged by the fact that slightly more new services have been made available in the Trial Area than in other similarly rural areas in the county during the same period. Since designation has had no apparent disbenefits it is currently considering whether further Trial Areas might be appropriate in rural areas.

## 5. DISCUSSION

As evidence of the consequences of deregulating bus services, the Trial Areas have two important limitations: their locations are predominantly rural; and other factors have been causing major changes which tend to mask the effects which one is trying to observe. The location of the Trial Areas has largely limited observations to rural areas and the town of Hereford, and extrapolation to other situations is uncertain. An attempt can be made to compensate for changing external factors by observing what is happening elsewhere, but in practice it is impossible to find 'controls' sufficiently similar to the Trial Areas to be sure of what would have happened in the absence of deregulation.

However, there is one respect in which the three Trial Areas form an interesting and instructive set. Rural bus services in all three counties, like those throughout the country, have been and are threatened by rising costs, falling demand and continuing restrictions on local authority financial resources. In each case the council has sought economies in revenue support while limiting bus network reductions by replacing withdrawn NBC services with others provided by independent operators, at lower costs. In the Hereford Trial Area this was effected through a new system of tenders for contracts. Similar changes occurred, with less formality, in Devon and Norfolk — in the former county before deregulation and in both regulated and unregulated parts of the latter. It therefore cannot be concluded that deregulation was essential to the reduction in subsidy achieved in the Hereford

Area, but it certainly simplified and possibly expedited reorganisation of the bus network there (obtaining a road service licence can be a lengthy business if there are objections to the application). It would appear, however, that the licensing system does not unduly constrain a local authority's choice of operator for a subsidised service.

In recent years there have been many examples of decline in rural bus services, and this pattern has been seen in the Trial Areas: there is no evidence to suggest that deregulation has accelerated the process. It has however been argued that when Midland Red was made vulnerable to competition, it had no option but to retreat to a viable network of services, abandoning unremunerative rural services it had previously cross-subsidised. However, the company was so heavily in deficit before the Trial Area that the profitable services cannot have been cross-subsidising all the others. It is inconceivable that it would have allowed this situation to continue indefinitely – even if County Council funding had been maintained at the same level. Financial restraint, rather than deregulation, is clearly the cause of lost services in the Hereford area.

Deregulation, then, does not appear to have been detrimental to bus service in the rural parts of the Trial Areas, and this conclusion would probably apply to other rural areas. But it is also pertinent to ask if deregulation has been beneficial. Operators have been relieved of the burden of the licensing procedure – at least for services which do not cross Trial Area boundaries – which in some cases may have tipped the scales in favour of their trying something new. Some operators have been confused about the requirements of the Trial Area regulations which replaced the licensing procedure, but this was due to unfamiliarity rather than inherent difficulty. A few operators in the Trial Areas have tried new services on their own initiative, but for the most part to cater for apparently unmet demands; in these cases it is unlikely that there would have been much difficulty obtaining licences under the previous system. The scale of these new initiatives, which have not generally met with commercial success, has been inadequate to stem the general decline in rural services.

The explanation for this lack of conspicuous activity is the nature of the rural transport market. Operators perceive that wherever demand is enough to make a bus service profitable – or, more often, just worth trying – a service is already provided, and the extent to which new services can stimulate new demand is severely limited. Competing with an existing operator in such an area would simply divide existing demand and render both old and new services unprofitable. Many independent operators believe that they can provide services more cheaply than the public sector, but they are well aware of the dangers of competition with the bigger companies. That is not to say that small private operators have no capacity to expand their stage bus business: experience in the Hereford area and, more recently, in Norfolk demonstrates that they are able and willing to take on work of this kind if the revenue (including subsidy where necessary) is adequate and there is no great threat of competition for passengers.

The greatest opposition to Trial Areas among independent operators was in Hereford and Worcestershire, but it was directed more at the council's new contract system – which was feared to be more restrictive than the licensing system – than against deregulation. Now that they have learned to live with the new system they generally find it less objectionable. After all, it has provided more work for the private sector, although a few individuals have lost business. But while there may be more opportunity there is also more uncertainty: operators claim that contracts are of too short a duration for effective business planning, and that the possibility of losing contracts, or the threat of competition on unsubsidised services, has reduced the value and marketability of their companies. The view of the County Council on the other hand is that the discipline of regular rebidding for contracts and adjusting services in accordance with changes in the market is conducive to efficiency. In any case, the Council feels constrained by uncertainties about its own financial resources from entering into longer-term commitments. The present contract duration of three years may have struck the right balance, but this cannot yet

be established. It may be significant that operators in other parts of the county, which are now under consideration as further Trial Areas, seem more able to appreciate the disadvantages rather than the advantages of the system and are opposing its extension.

In urban areas demand may be great enough to encourage more initiatives by small operators. The experience of unregulated competition in Hereford is not sufficient by itself as a basis for forecasting what might happen in urban areas generally. It is however consistent with what has been observed in a few isolated cases of small operators competing with established, public sector companies (eg in Cardiff, Whitehaven and Nottingham): the established operators lower fares, increase service levels (or both) and thereby render the competing service unviable, and attempt to maintain this pressure until the competitor gives up. This kind of competition may not be wholly in the passengers' interest, even in the short term: if one operator runs buses at virtually the same times as another, the effective service frequency is not increased. Deregulation, under present conditions, may not in itself be sufficient to allow small operators, however efficient, to compete successfully with large established operators with greater resources.

Experience in the Trial Areas has revealed a number of minor regulatory problems. The first concerns the notice that an operator must give before starting, altering or discontinuing a service. The purpose of this part of the regulations is to give County Councils adequate time to persuade operators to modify their proposals (in the public interest) or, failing that, to take whatever remedial action appears necessary or practicable. In practice it has not always been possible to enforce these regulations. If an operator ceases trading, for example, an event whose timing is unpredictable, he will be unable to serve his notice of withdrawal of a service. Even in less extreme cases, where services simply prove very unprofitable, operators will be unwilling to continue as long as they are legally required, preferring to take the small risk of a relatively minor fine. These regulations can also impede County Councils: it is (legally) impossible to arrange for a new or substitute service to be provided at short notice, unless a liberal interpretation of the term "unforeseen circumstances" is made. It appears that the balance between orderly change and flexibility has still to be found.

The other problem that has arisen is that of traffic regulation. If bus services are unlicensed, there is no mechanism to prevent their routing along unsuitable roads — except by Traffic Regulation Orders, which involve considerable trouble and delay, and can only be applied to buses in general (eg it is not possible to limit the number of buses in one street to 12 per hour). So far, problems of this nature have been limited to Hereford, and the County Council has used its powers of persuasion to achieve a reasonable compromise. Such solutions may be harder to devise in larger urban areas.

## 6. CONCLUSIONS

Any conclusions drawn from experience in the three Trial Areas must be qualified by the fact that they are based on a limited set of largely rural areas over a limited period of time. Furthermore, the trial areas have not been isolated from economic factors (eg pressure on financial resources, declining demand) which have influenced the provision of bus services everywhere.

The gradual decline in rural bus services in the Trial Areas simply reflects the general pattern, and is not demonstrably a consequence of deregulation. In all three counties, councils have achieved a degree of success in replacing services formerly provided by NBC companies with privately operated services, thus preserving basic networks with substantially smaller amounts of revenue support. In Hereford and Worcester this was achieved by

a formal system of tenders for contracts, which may have been facilitated by deregulation. In Norfolk and Devon, however, similar results have been obtained through more conventional county transport coordination procedures, in areas where bus services were still regulated. Deregulation therefore does not seem to be essential for the successful restructuring of rural transport services.

Deregulation has provided opportunities for operators to experiment with new services. It is arguable that some of those which have been tried in the more rural areas would have been allowed under the licensing system, but the procedures for obtaining licences can be a deterrent to small operators. Nevertheless, it should be recognised that the scale of rural initiatives has been small, and many of them have not been successful, simply because the market for them is small and generally in decline. Deregulation has not therefore been sufficient to halt the overall decline in rural bus services, but neither has it worsened the situation. Operators have benefited from simplified administrative procedures.

The effects of deregulation are more discernible in urban areas and on inter-urban routes, where bus services may still be profitable. Independent operators have provided new services, sometimes complementary to those run by established operators, and sometimes in direct competition. Where there is competition, established operators have responded by reducing fares, increasing service frequencies, adjusting schedules, running free buses or various combinations of these actions. The public have consequently enjoyed lower fares and better levels of service. Demand has increased, but not necessarily by enough to cover the costs of the additional service provision. It appears that the present situation in Hereford must be unstable, although the eventual outcome is unpredictable. It is clearly too early to determine whether the public will benefit in the longer-term. Under present conditions, deregulation in itself may not be sufficient to allow small operators however efficient, to compete successfully with established operators with greater resources.

## **7. ACKNOWLEDGEMENTS**

The work described in this report was carried out in the Transport Planning Division of the Safety and Transportation Department of TRRL. The authors wish to thank all those operators, County Councils and Traffic Area Offices for discussions and provision of information. Thanks are also due to Mr P F Watts of Transport Planning Division, for his contribution to the collection and analysis of information.

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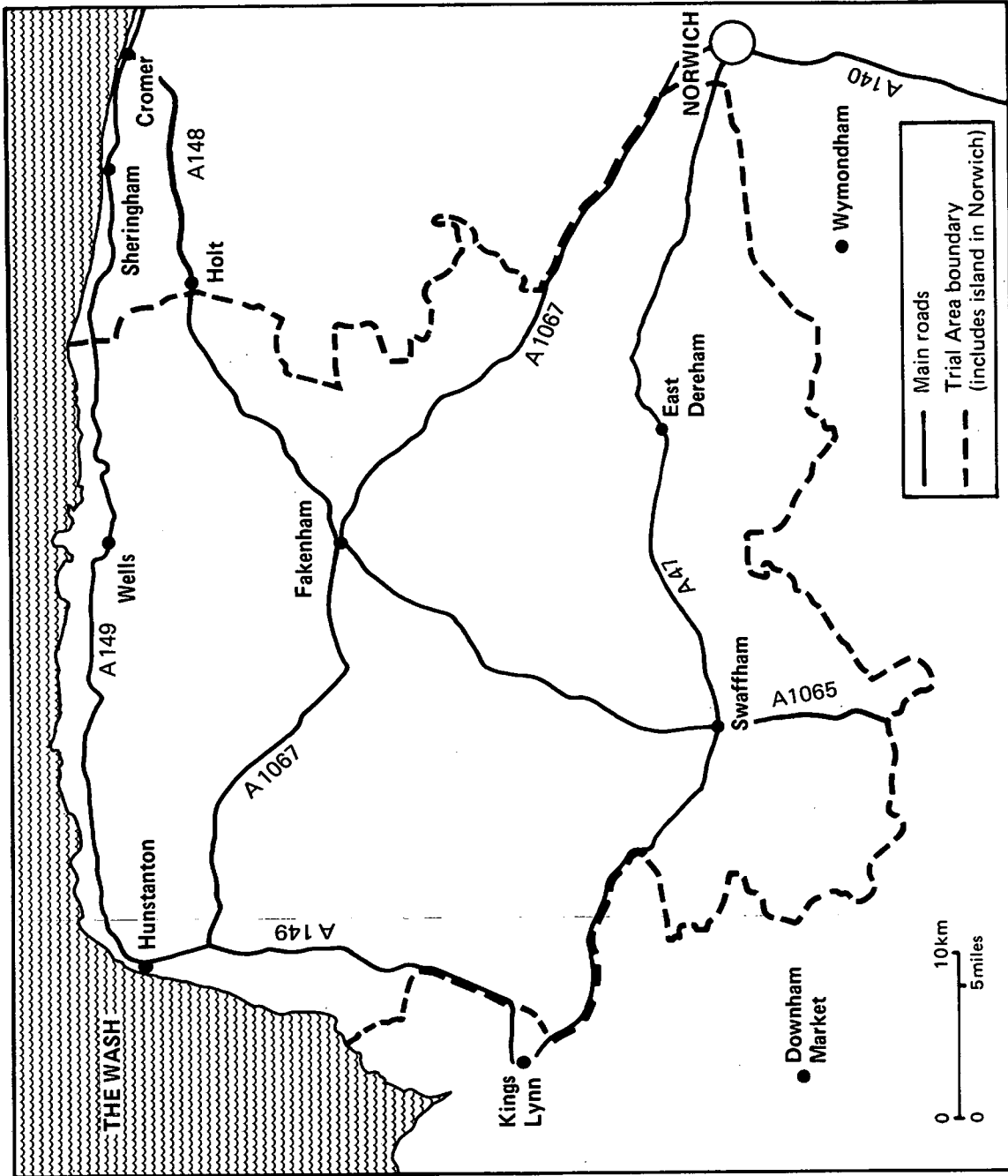
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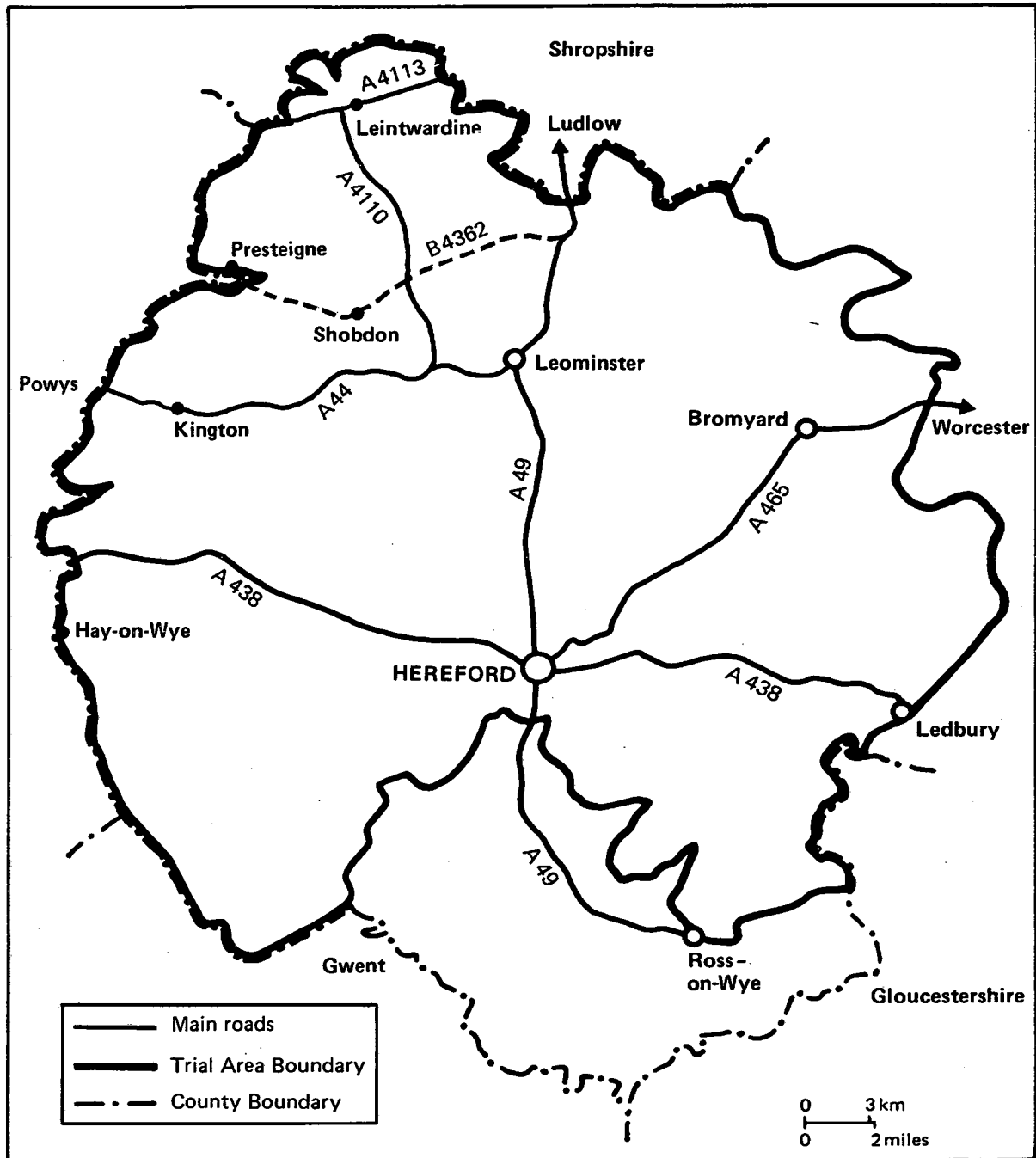
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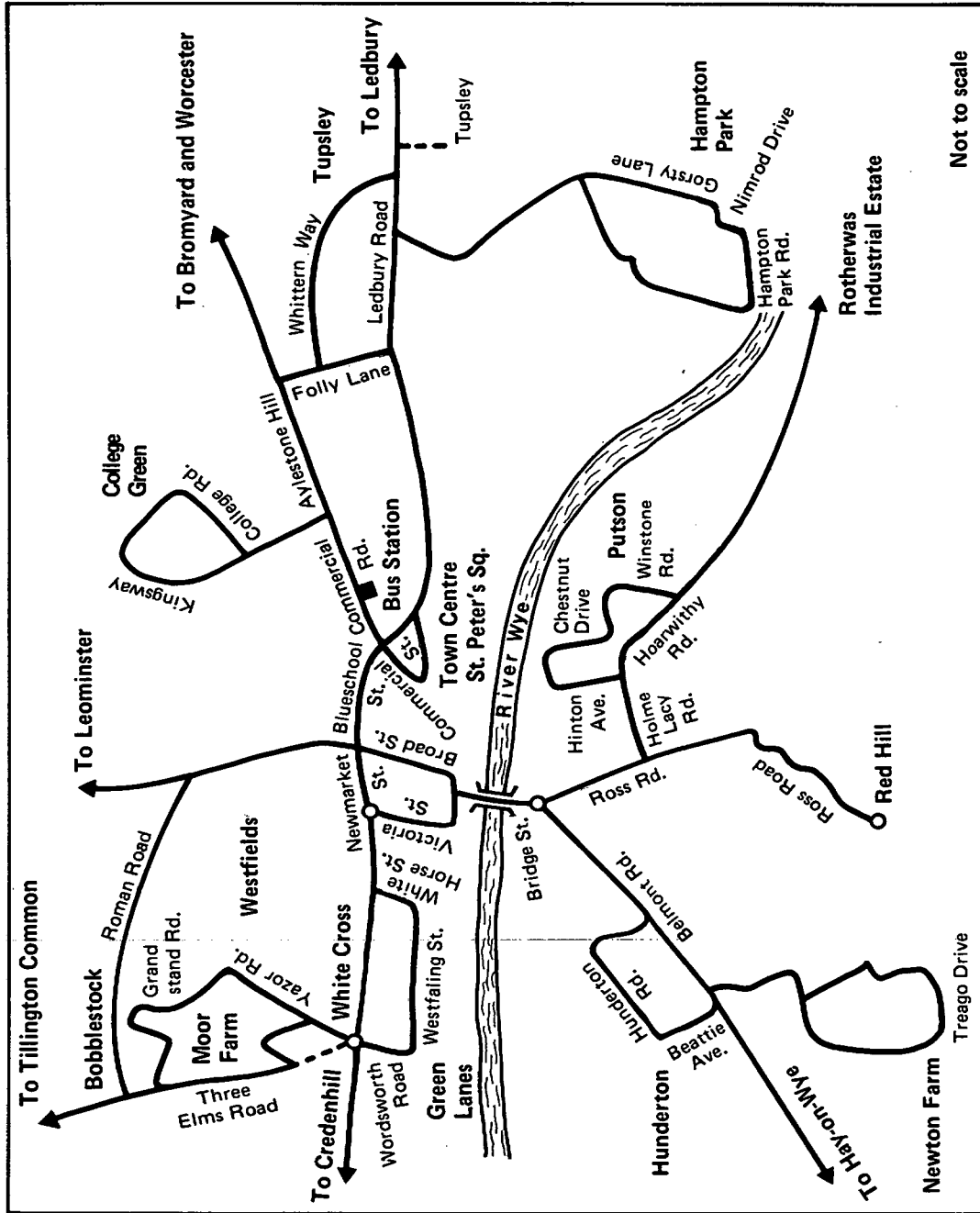
Based on an Ordnance Survey map

Fig. 1 Location of the Norfolk Trial Area



Based on an Ordnance Survey map

Fig. 2 Location of the Hereford Trial Area



Not to scale

Fig.3 Hereford Bus Services

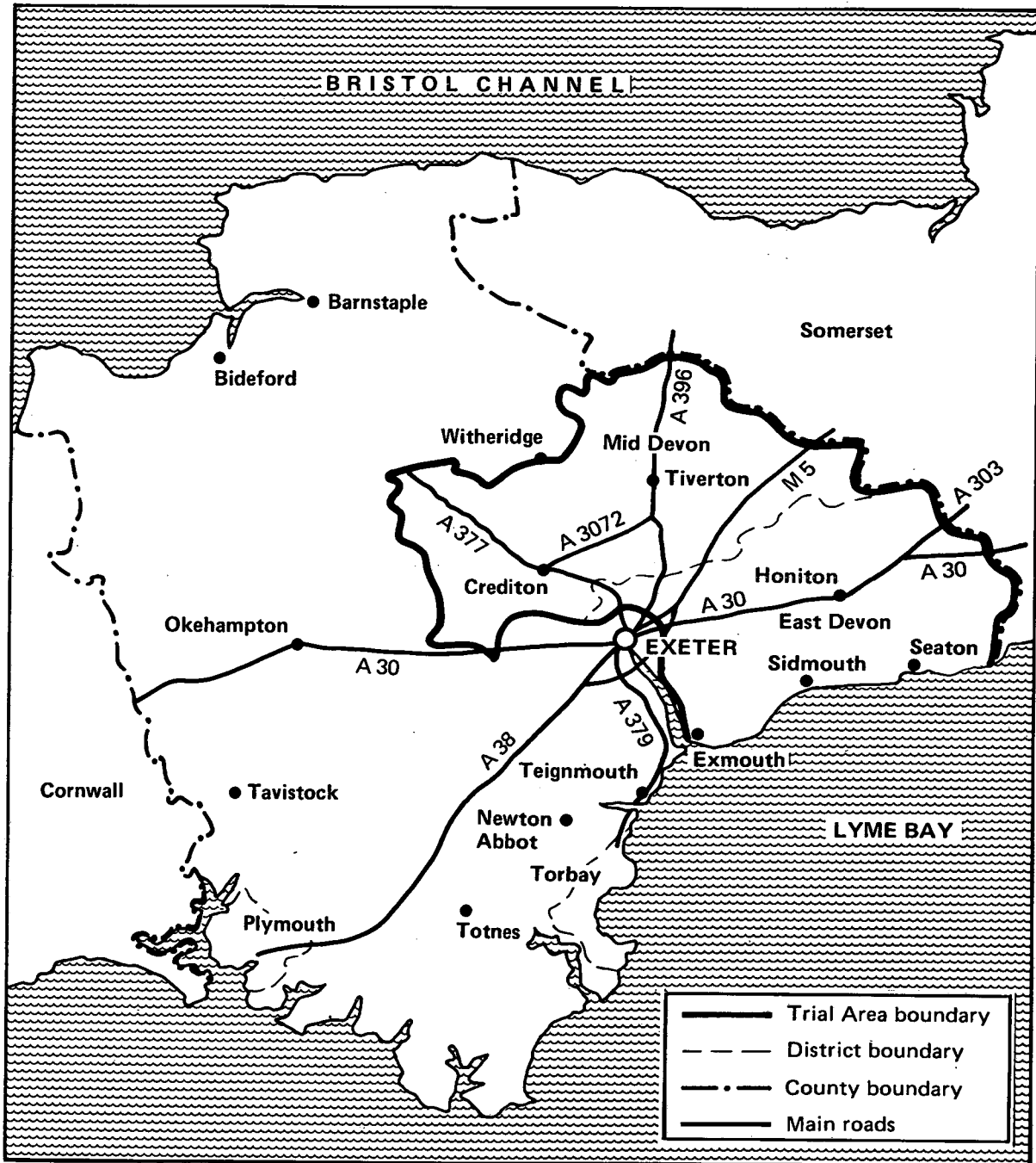


Fig.4 Location of the Devon Trial Area

## 9. APPENDIX 1

### SERVICE CHANGES IN THE NORFOLK TRIAL AREA

#### 1. Independent operators April 1981 – December 1983

OPERATOR	DATE	SERVICE	EXPLANATORY NOTES
Bammant	4/81	Fakenham—King's Lynn Fakenham—Norwich	New excursion licences granted before Trial Area; opposed by ECOC and Norfolk CC. Fares competition with ECOC (£1 cf £1.70) Operated monthly initially
	4/82	Wells—Fakenham	
Silverstone	4/81	N&S Pickenham, Gt Cressingham & Hilborough to Swaffham (Tu only)	New service, supported by guarantee
	9/81	Route of above service revised, no change in service level	
	early 82	Operator transferred above service to Clarke (Swaffham) Also discontinued Swaffham—RAF Marham Downham Mkt—RAF Marham	
Birds	5/83	Hunstanton—Wisbech Wisbech—Peterborough	RSL (for parts of route outside Trial Area) to provide a replacement rail service under contract to BR
	11/83	Hunstanton—King's Lynn	Passengers picked up at Heacham, Snettisham and Dersingham in Trial Area
Carters (Foul登)	5/81	Foul登—Swaffham (F)	New non-competitive service
	5/81	Oxborough—Norwich (Sat)	New non-competitive service
	10/81	Oxborough—Norwich (Sat)	Service withdrawn because of low demand
	8/81	Feltwell—Swaffham (Sat)	New non-competitive service partly in TA, partly licensed
Clarkes (Swaffham Coachways)	6/81	Beechamwell—Downham Mkt Marham—Downham Market	Services (partly in TA) discontinued because of low demand
	5/83	Hilborough—Swaffham (Tu) (former Silverstone service)	Discontinued when subsidy withdrawn because of low demand

OPERATOR	DATE	SERVICE	EXPLANATORY NOTES
Clarkes (Swaffham)	1/83	Sporle—Narborough (Tu)	New service connecting with King's Lynn Service
	3/82	Swaffham—RAF Marham (M—F) Marham—Downham Mkt (F)	Contract service opened to public Service restored. Revenue guarantee by CC
Dereham Coachways	4/81	Dereham Town Service	Short journey between residential estate and town centre. (EC run other town services)
Dunthorne	4/83	Wells—King's Lynn S Creake—King's Lynn (Tu/Sat)	} Minor re-routeing to pick up at Heacham, Snettisham, Ingoldisthorpe & Dersingham in competition with EC
Eagle	5/82	Castle Acre—King's Lynn (Th/Sat)	
Easton (Cromer)		Cromer—Fakenham (Th/Sun)	Evening bingo service
Pegg		Some route revisions	(No significant changes)
Sanders Coaches (Holt)	7/81	Holt—Norwich (W)	(Mainly outside TA) Excursion licence; fares competition with EC.
	4/82	Blakeney—Sheringham (Th, Sat)	Partly licensed service
	12/82	Blakeney—Holt (Tu, F)	New service
	12/82	Above service extended to Langham following requests from public	
	8/83	Gunthorpe—Fakenham	Service and route revisions

## 2. Eastern Counties and independent operators January – February 1984

Eastern Counties withdrew a number of their Norfolk services on 1 January 1984. Private operators introduced 27 new services (not all in the Trial Area) to replace the withdrawn journeys. The list below shows the Eastern Counties service number and the details of the replacement service for routes wholly or partly in the Norfolk Trial Area.

a: withdrawn services

SERVICE	ROUTE	
403	King's Lynn—Stoke Ferry—Watton (W)	Partial replacement service Foul登—Watton by Carters of Foul登
420	Fakenham—Burnham Market (Th)	Replacement service Wells—Burnham—Fakenham by Dunthorne. Replacement service Rudhams—Fakenham by L Parnell & Sons
424	East Dereham—King's Lynn (Th)	Partial replacement services by Bammant's Coaches and C Peeling & Sons
431/2/3	Swanton Morley—East Dereham (M – Sat)	Joint replacement services by Dereham Coachways and Freestone Coaches
436	East Dereham—Little Dunham (F)	Replacement service by Carter's Coaches (Litcham)
441	Stibbard—East Dereham (F)	Partial replacement service by C Peeling & Sons
457	East Dereham—Norwich (W)	Replacement services by Dereham Coachways
462	Letheringsett—Fakenham (Th and Sat)	Replacement service by Sander's Coaches
468	Fakenham—King's Lynn (M – Sat)	Replacement service by Bammant's Coaches
770	Fakenham—Aylsham	No replacement service: other services continue to operate on this route
793	“Eastline” through service Cromer—Fakenham—King's Lynn—Peterborough	Not replaced, but existing stage carriage services cater for many of the intermediate journeys
836	Costessey school journeys	Replaced by a school contract

b: —modified services —

410/11/ 12/13	King's Lynn—Hunstanton (Daily)	Minor timetable revisions: no replacement required
415	King's Lynn—Anmer—Hunstanton (M – Sat)	Minor timetable revisions: no replacement required New Peak service by Eastern Counties
417	Wells—Burnham Mkt—Hunstanton (M – Sat)	Replacement off-peak service by Bird's Coach Travel. Burnham Mkt—Wells section not replaced
434	Norwich—East Dereham—Swaffham—King's Lynn (M – Sat)	Minor timetable revisions: no replacement required

SERVICE	ROUTE	
450	Norwich—Fakenham—Wells	Major timetable revisions — Fakenham—Wells off-peak service withdrawn. Monday—Friday Wells—Fakenham service replaced by Dunthorne, EC continue Saturday service
774/775	Cromer—Blakeney—Holt—Norwich (T, W, F)	Tu, W & F service modified; Sat service withdrawn. No replacement service.
794	“Eastline” Norwich—King’s Lynn— Peterborough (T & Sat)	Service revised; no replacement required
828/829	Norwich—Barnham Broom (M — Sat)	Peak service withdrawn, off-peak timetable revisions. Supplementary peak and other services provided by H Semmence in new joint service
834/835	Norwich—East Dereham—West Bradenham (M — Sat)	Minor timetable revisions: no replacement required

## 10. APPENDIX 2

### ARRANGEMENTS FOR SUBSIDY PAYMENTS IN HEREFORD TRIAL AREA

Hereford and Worcester County Council issued bus operators with notes explaining the proposals for administering subsidy, at the beginning of the Trial Area; these notes are reproduced here for reference.

#### TRANSPORT ACT 1980 – TRIAL AREA

#### EXISTING SUBSIDISED OPERATORS

#### NOTE ON SUBSIDY PROCEDURE

1. This note is to be read in conjunction with the guidelines (marked Appendix 1, 21st January 1981) previously forwarded to you and discussed at the meeting on 25th March 1981.
2. As detailed in previous letters and discussed at a meeting on 25th March 1981, the existing subsidy arrangements will cease, as from 30th September 1981, for all services totally within the Trial Area. Services which cross the boundary of the Trial Area are affected in various ways. A list is attached of those services (or parts of services) operated by your company which are considered (for purposes of subsidy considerations) to fall within the Trial Area. The effect upon the quarterly payment for network subsidy is also shown on this list. Specific arrangements for individual services will also cease as from 30th September 1981.
3. You are asked to notify the County Council as soon as possible, and not later than 3rd July 1981, which of your existing subsidised services you are unwilling to continue without subsidy after 30th September 1981. This notice will be taken as the statutory notice of your intention to discontinue the service, under the 1980 Transport Act.
4. Where an operator is unwilling to continue an existing subsidised service without subsidy, and it is established that there is a need for a service, tenders will be invited for the service. Tender documents will be sent to all operators on the list of contractors (see covering letter) by 17th July 1981.
5. The Tender Documents will specify:
  - (a) The service route.
  - (b) The minimum service level required, defined in such terms as a journey from a given origin to a given destination, eg (A to B) arriving at an appropriate time (between 0820 and 0845) or a journey from A to B arriving between 0930 and 1130, returning between 2 and 3 hours later.
  - (c) The maximum fare level to be charged, normally laid down as a mileage scale. This will carry an inflation clause in line with the retail price index.
  - (d) The existing timetable for the route.
6. You will be specifically invited to inform the County Surveyor if you are willing to operate a service without subsidy. Provision for this will be made on the subsidy form. As part of your tender, you will be asked to provide:

- (a) *Your proposed timetable.* This will form part of the subsidy contract, and can only be changed with the written agreement of the County Surveyor.
- (b) *Your proposed faretable* (which may be in the form of a mileage scale).  
Subject to the tender specification this will be for information only: it will not form part of the contract, with the exception of scholars' season ticket rate in certain cases, but the operator must inform and receive the County Surveyor's concurrence on proposed changes. Such concurrence will not be unduly denied.
- (c) *The quarterly charge to be made for provision of the service.* This should be made on the basis of passenger receipts being kept by the operator. Any inflation clause will be included in the contract; the index to be used for this has not yet been decided.
- (d) *Details of any further journeys that the operator will provide on or in connection with the service.* These need not be part of the contract. The tender document will seek to be clear on the operators tender.
- (e) *The rates to be charged for the transport of scholars.* This would apply in cases where the County Surveyor (in consultation with the County Education Officer) has identified the need to make this a part of the contract.
- (f) *Any further details.* This is in order to ensure that the tender may be treated as the statutory notification of the intention to commence a service.

7. It is envisaged that an operator may be able to quote a lower charge for two or more interworked contracts than the total of his tenders for the contracts treated separately. Provision will be made for this.

An operator may tender for a larger number of contracts than he is able to operate. In that event he must state the fact and define exactly what combinations of contracts he is able to operate.

Where the tender documents specify a minimum service, an operator may submit alternative tenders for such a service as well as for one based on the timetable operated on that route prior to the tender.

- 8. The contract for operation of the service will carry various conditions. A sample contract document is under preparation and will be sent to operators on the list of contractors as soon as possible.
- 9. If more operators than one are willing to operate a service without subsidy, a contract will not normally be considered pertinent. If, however, only one tenderer is willing to operate without subsidy and his tender is acceptable to the County Council, a 'no subsidy' contract could be awarded to afford this operator (as others on contract) the benefit of some freedom from further competition for the duration of the contract.
- 10. An operator on contract to the County Council would be expected not to operate in competition with any other service for which a contract is in force.
- 11. During the period from the commencement of the Trial Area until the cessation of subsidies, operators are requested not to compete with subsidised services. Operations in this period will be carefully monitored and appropriate action taken if such competition appears to be taking place.

12. It is appreciated that an operator may decide to discontinue or reduce a service in the period before the 30th September. In any such event the procedure to tender may be brought into operation earlier than planned.

T/MDTH/MW/

1980 TRANSPORT ACT -- TRIAL AREA

Existing Subsidised Services

1. If the County Council apply for designation following the meeting of the SPAT Committee in January, the Trial Area is likely to come into being in May 1981. In that event, subsidy (as at present administered) will be continued for six months with effect from 1st April 1981, or for as long as the service continues whichever is the shorter period.  

This period of stability in subsidy payments is essential to prevent a sudden withdrawal of services and to permit an orderly transition from the normal situation to the Trial Area situation.
2. In the first instance subsidy will be allocated to existing subsidised services in accordance with the procedure which has been followed in the past without consideration of a Trial Area.
3. The provisional distribution of the total subsidy to be approved by the SPAT Committee in January 1981 and subsequently by PRAF as part of the budget for all aspects of transportation in the year 1981/82, will form the basis for estimating the funds available for County Council requirements in the Trial Area.
4. Some services will operate wholly within a Trial Area, others partly. Subsidy to services which are only partly within the Trial Area will be allocated in the ratio of the bus mileages within and outside the area.
5. At the time that bus operators are informed of the County Council's decision to apply for designation, they will also be informed that provided the Trial Area is designated, subsidy will be discontinued with effect from 30th September 1981.
6. Operators will also be informed at the same time that following the cessation of subsidy (or withdrawal from a subsidised service) a system of tendering will be brought into operation and that they will be required to notify the County Council at least eight weeks before subsidy is discontinued whether or not they will continue to operate without subsidy. (An operator who intends to provide a new service, alter an existing one or discontinue a service, will have a statutory requirement to give notice (period to be determined by the Minister) to the County Council of his intentions. It is being suggested to the Department of Transport that the Operator should have to give six weeks notice in the instance of providing a new service and eight weeks in the event of withdrawing an existing one).
7. An existing operator's services which he is willing to continue to operate without subsidy will not be subject to the tendering procedure, but if he subsequently decides to withdraw from such a service he will be subject to the statutory period of notice.
8. On receipt of notice that a subsidised service will be withdrawn the County Council will advertise for tenders for the service (modified if necessary). The details of the contract have not yet been worked out but it is envisaged that the County Council will specify the route to be operated and the frequency of service. The duration of the contract would be for 18 months, but there would be provision for variations during the contract period subject to the agreement of both parties. Provision for extending the contract beyond 18

months will also be included. There will be the usual proviso that the County Council is not obliged to accept the lowest or any tender.

9. The County Council would normally award the contract to the operator tendering the lowest subsidy requirement. The fares would be for the operators' commercial judgement but would have to be stated and could not be changed without the County Council's consent.

The lowest tender could, in theory at least, be a nil subsidy requirement. In that event the operator if acceptable to the County Council would be awarded a "no subsidy" contract to bring him within the scope of paragraph 11 below.

#### New Services

10. New services and changes in unsubsidised services can of course be initiated by operators who will be subject only to the statutory requirements to inform the County Council in advance and to advertise the intention. The County Council will thus have the opportunity to secure variations to services or additional services by negotiations not involving financial support. Where, however, the required service cannot be obtained in this way the County Council will advertise for tenders in the way described for existing services.

#### Register of Approved Contractors

11. To assist the County Council in carrying out their responsibilities in the Trial Area it is desirable to seek to prevent a service for which an operator is on contract to the County Council being undermined by another operator. It is proposed that a register of approved operators who may tender for stage carriage services should be kept by the County Council. Subject to consultation with the County Education Officer it is proposed that the approved list would include operators who may tender for school transport contracts.

## 11. APPENDIX 3

### HEREFORD TRIAL AREA:

#### CHANGES OF OPERATOR WHERE TENDERS FOR SUBSIDY CONTRACTS HAVE BEEN INVITED

a) Hereford City Services

SERVICE		OPERATOR		
Hereford City to		August 1981 (pre Trial Area)	Sept 1981–1983 (duration of first contract)	1983 onwards (second contract period)
Hampton Park	Main stage services	} Midland Red	} Continued by Midland Red without subsidy Morris's (Sunday) Flashes (Evening) Midland Red	
	Supplementary stage services			
	Education transport			
Three Elms	Main stage services	} Midland Red	} Continued by Midland Red without subsidy None sought Midland Red	
	Supplementary stage services			
	Education transport			
College Green Putson Redhill Grandstand Rd Newton Farm	Main stage services	} Midland Red	} Continued by Midland Red without subsidy Flashes (no subsidy) Flashes Midland Red Yeomans/Primrose	
	Supplementary Evening services			
	Sunday			

b) Inter-town Services

Ludlow– Leominster– Hereford	Main stage services	} Midland Red	} Continued by Midland Red without subsidy Midland Red	
	Education transport			
Bromyard– Hereford	Main stage services	} Midland Red	} Continued by Midland Red without subsidy Morris's (Sunday) Morris's Midland Red	
	Supplementary stage services			
	Education transport			
Hay on Wye –Hereford	Main stage services	} National Welsh	} Continued by National Welsh without subsidy National Welsh	
	Education transport			
Ledbury– Hereford	Main stage services	Midland Red	Morris's	Morris's
	Supplementary services	Morris's	Morris's	Morris's
	Education transport	Midland Red	Morris's	Tudor Coaches
Hereford– Ledbury	A Saturday only service via Rushall	Midland Red	Smiths (Rushall–Ledbury)	Dean Forrest Coaches (Integrated with Ross–Ledbury service)

SERVICE	OPERATOR		
	August 1981 (pre Trial Area)	Sept 1981–1983 (duration of first contract)	1983 onwards (second contract period)
Ludlow— Leominster	Stage services	Midland Red	Continued by Midland Red without subsidy
c) Country Services			
Almeley—Hereford	Yeomans	Yeomans	Smiths
Kington—Hereford	Yeomans	Yeomans	Yeomans
Steen Bridge—Hereford	Hemming	Hemming	Hemming
Dilwyn—Leominster	} Primrose	} Primrose	} (1) No tender invited (1)
Weobley—Leominster			
Bredwardine—Hereford	Yeomans	Yeomans	Yeomans
Longtown—Hereford	Yeomans	Yeomans	Yeomans
Tillington—Hereford	Midland Red (Yeomans off peak)	Flashes (Yeomans off peak)	Yeomans (2)
Kington—Leominster	Primrose	Primrose	Primrose (3)
Presteigne—Leominster	Primrose	Primrose	Primrose (3)
Staunton—Leominster	Primrose	Primrose	Incorporated into Presteigne service
Titley—Kington	Primrose	Primrose	Incorporated into Standbatch— Kington service
Leintwardine—Leominster	Primrose	Primrose	Primrose (3)
Orlton—Leominster	Primrose	Lugg Valley	Lugg Valley
Brimfield—Leominster	Primrose	Lugg Valley	Lugg Valley
Bromyard—Leominster	Primrose	Lugg Valley	Lugg Valley
Broxwood—Leominster	Primrose	Lugg Valley	Yeomans
Tenbury Wells—Leominster	Primrose	Lugg Valley	Operator indicated they would continue service without subsidy
Almeley—Kington	Yeomans	Sergeants	Sergeants
Kington—Hereford	Yeomans	Yeomans	Operator indicated they would continue service without subsidy
Shenmore—Hereford	Yeomans	Yeomans	Yeomans
Kington—Brilley	} Yeomans	} Sergeants	} Sergeants
Huntington—Kington			
Stanner—Huntington			
Woolhope—Hereford	Yeomans	Flashes	Yeomans (4)
Holme Lacey—Hereford	Yeomans	Flashes	Yeomans (4)

SERVICE	OPERATOR			
	August 1981 (pre Trial Area)	Sept 1981-1983 (duration of first contract)	1983 onwards (second contract period)	
Ledbury-Hereford Wed service via Checkley	Newbury	Newbury	Smiths (nil subsidy)	
Gorsley-Hereford	Flashes	Flashes	George Young (5)	
Much Marcle-Hereford	Flashes	Flashes	Dean Forest (5)	
Stanford Bridge-Tenbury Wells	Yarranton	Yarranton	Yarranton	
St Michaels-Tenbury Wells	Yarranton	Yarranton	Operated without subsidy by Yarranton	
Putley-Ledbury	Smith	Newbury	Tudor	
Much Marcle-Ross	Smith	Newbury	Smith (6)	
Bodenham-Leominster	Hemming	Lugg Valley	Yeomans	
Hatfield-Tenbury	Hemming	Lugg Valley	Lugg Valley	
Pencombe-Hereford	C N Jones	C N Jones	C N Jones	
Pencombe-Bromyard	C N Jones	C N Jones	C N Jones	
Martley-Bromyard	C N Jones	C N Jones	C N Jones	
Ross-Greytrees	National Welsh	National Welsh continue to operate these services without subsidy		
Ross-Duxmere Schools	National Welsh			
Kilpeck-Hereford	Yeomans	Yeomans	Excluded from contracting because service mileage is mainly outside TA	
Ross-Brampton Abbots	George Young	George Young (No subsidy)	No tender invited (7)	
Ewyas Harold-Abergavenny	Flashes	Flashes	Yeomans (5)	
Hereford-Kington	Yeomans	Sergeants (8)	Sergeants (8)	
Brockhampton-Ross	Flashes operated without subsidy		George Young (5)	
Cradley-Bromyard	Morris's (no subsidy)	Morris's	Morris's (9)	
Much Cowarne-Bromyard				
Kingstone-Hereford	National Welsh	National Welsh continued to operate this service without subsidy	National Welsh Yeomans (10)	
Stansbach-Kingston	The need for these subsidy contracts arose from service reorganisation or introduction of new services		Primrose (11)	
Ledbury-Bosbury				Smiths (12)
Leominster-Bircher				Primrose (13)

## NOTES TO TABLE

1. These services were rationalised into a school contract and an unsubsidised market day service provided by Lugg Valley.
2. Yeomans operated this service under contract to Flashes for much of the first contract period.
3. These services were reduced in frequency to comply with tender specification. Until 1983 Primrose operated numerous extra departures without subsidy.
4. Yeomans took over this service in December 1982 when Flashes withdrew from this contract.
5. Service taken over when Flashes ceased operating in February 1983.
6. Service taken over by Smith when Newbury withdrew in June 1982.
7. George Young withdrew without notification. Thursday service absorbed into Smiths contract service, Much Marcle—Ross. Saturday service provided by Dean Forest coaches Ross—Hereford service.
8. This contract was not awarded. The service was incorporated into a schools contract opened to the public and operated throughout the year instead of term time only.
9. Morris sought subsidy for these previously unsubsidised services.
10. National Welsh continued operating without subsidy. Yeomans secured the contract to provide one early morning service withdrawn by National Welsh in 1983.
11. A new contract which incorporates the previous Titley—Kington contract.
12. A new contract let in November 1982 for a new service previously operated experimentally supported by guarantee.
13. Replaces the afternoon peak journey Leominster—Presteigne. The morning journey is provided by a school contract service which is being operated during the school holidays without subsidy by Primrose Motors.

## 12. APPENDIX 4

### HEREFORD TRIAL AREA: CHANGES IN THE PROVISION OF BUS SERVICES

a) Hereford City Services

There was a substantial reorganisation of the bus services operated by Midland Red when the Trial Area was implemented. The company's objective was to establish a viable operation in the city and several services were re-routed and renumbered. The net effect was a slight decrease in frequency and minor timetable changes during the day but there were more substantial reductions in the company's weekday operations before 8.00 am, on Monday–Thursday evenings and on Sundays. The depleted Midland Red services were supplemented by extra services arranged by the County Council, some of which were subsidised. Subsequently unsubsidised services partly in competition with Midland Red's day time services were introduced by operators to provide a better bus service from some areas of the town and enhance the service frequency elsewhere. The table shows the more significant changes in bus services; minor timetable changes have been omitted.

DATE	OPERATOR	ROUTE	EXPLANATORY NOTE
September 1981	Midland Red	City services to: College Green Tupsley/Hampton Park Putson Red Hill Newton Farm Bobblestock	Services reorganised as described above. Replacement services arranged by County Council where subsidy was considered to be justified.
	Midland Red	Rotherwas Industrial Site	
September 1981	Flashes Coaches	Bobblestock (hourly)	Provided a bus service to parts of the area not served by Midland Red and a more direct route but provided some direct competition.
November 1981	Flashes Coaches	Bobblestock College Road	Service enhanced in the peak. New service.
December 1981	Flashes Coaches	Newton Farm	Additional day time services in competition with Midland Red.
April 1982	Flashes Coaches	All City services	Journeys after 6.22 pm withdrawn.
April 1982	Midland Red	College Area Tupsley	Evening services withdrawn.
April 1982	Midland Red	Evening services previously provided by Flashes and Midland Red	Midland Red won a subsidy contract to operate these services.
August 1982	Flashes Coaches	Sunday services College Road service	Withdrawn Withdrawn

DATE	OPERATOR	ROUTE	EXPLANATORY NOTE
August 1982	Yeomans	Sunday services (previously operated by Flashes)	Yeomans won a subsidy contract to operate these services.
December 1982	Flashes Coaches	All remaining City services	Transferred to Yeomans Motors.
December 1982	Primrose	Credenhill	Competed with Yeomans service for about 2 weeks before withdrawing.
March 1983	Stretton Coaches	Red Hill	New daytime service competing with Midland Red.
		Hampton Park	New daytime service competing with Midland Red.
April 1983	Midland Red	Credenhill	Service transferred from Yeomans.
		Rotherwas	Service reintroduced (withdrawn September 1981)
		Bobblestock City Services	Services previously operated by Flashes, taken over from Yeomans and incorpor- ated into Midland Red timetables.
May 1983	Stretton Coaches	Moor Farm Credenhill	New services competing with Midland Red.
June 1983	Yeomans	Bobblestock Circular	Revised timetable provides a substantial increase in frequency.
July 1983	Yeomans	College Green Sundays	Contract services discontinued. Patronage non-existent over a period of weeks.
July 1983	Stretton Coaches	Putson College Green	New services competing with Midland Red.
August 1983	Primrose	College Green Newton Farm	New services providing additional competition for existing operators but also a cross town facility.
August 1983	Stretton Coaches	Moor Farm	Service withdrawn.
October 1983	Primrose Motors	College Green Newton Farm	Service to Newton Farm enhanced by 3 additional departures each day.
January 1984	Midland Red	Hampton Park	Two additional departures each hour
		College Green	One additional departure each hour
		Newton Farm	Three additional departures each hour

8.00 am-  
6.00 pm

DATE	OPERATOR	ROUTE	EXPLANATORY NOTE
		Putson	One extra departure 9.00 am— each hour 5.30 pm
		Red Hill	Two extra departures 7.45 am— each hour 6.00 pm
			The above services are timed to run ahead of competitors scheduled services.
January 1984	Primrose	College Green	Departures from College Green in the off-peak reduced.
		Newton Farm	Some replacement journeys to a super- store from Folly Lane and Kingsway.
February 1984	Stretton Coaches	Westfields via White Cross	New hourly service between 9.00 am and 6.00 pm.
		Hampton Park	} These services transferred to Western Coaches (D D Buchanan)
		College Green	
		Red Hill	Service retimed to run ahead of competition.
		Putson	Service extended back from City Centre to Bobblestock effectively introducing a new Bobblestock—St Peters service at hourly intervals in competition with Midland Red.
February 1984	Yeomans	City Services	Sunday services operated under contract discontinued. New contract awarded to Primrose Motors by County Council.

b) Intertown services

Bromyard—Hereford

September 1981	Morris's		Introduced additional services to provide peak and off-peak service Monday—Saturday. This was inspired by the award of a contract to carry children and the mistaken belief that Midland Red would cut their service frequency.
October 1981	Morris's Midland Red		Timetable changes to reduce wasteful duplication in the peak.
November 1981	Morris's		Service withdrawals to restore stage carriage provision prevailing before Trial Area began.
September 1981— October 1982			Morris's operated a Sunday service between Hereford and Worcester under contract to the County Council. It was withdrawn for lack of use.

## Hereford—Ledbury

September 1981	Midland Red	Withdrew weekday services H76 route, Saturday only service via Rushall H79 route and the seven day a week service between Hereford and Stratford via Ledbury.
	Morris's Smith's Motors	Replaced the H76 service — subsidy contract. Replaced the H79 service — subsidy contract.  These changes resulted in the loss of evening and Sunday services which were lightly used.
September 1981— April 1983	Morris's	Improvements in service on H76 route including the extension of the route to an area of new housing and the provision of a new feeder service in the peak from nearby villages.
December 1982	Smith's Motors	An early morning (6.55 am) works service opened to the public.
April 1983	Tudor Coaches	Won the contract to carry college students to Hereford. Thus providing a second departure in the morning peak but abstracting from Morris's service.
April 1983	Dean Forest Coaches	Replaced Smith's Motors as operator of the Saturday contract.
January 1984	Morris's	Discontinued feeder service to Ledbury in the peak.

## Hereford—Leominster

September 1981	Midland Red	Timetable adjustments and the withdrawal of the first early morning service from Hereford—Leominster.
December 1981	Primrose Motors	Service diverted via Moreton on Lugg village.
May—August 1982	Primrose Motors	Gradual improvements in services to Hereford including additional daytime, evening and Sunday journeys. From Leominster, journeys were extended to Ludlow on weekdays and into surrounding countryside on Sundays to provide for the leisure market. Primrose services into Leominster and from Leominster to Hereford were coordinated to provide better through journey opportunities and low through fares were introduced.
October 1982	Primrose Motors	Many of the leisure and Sunday services withdrawn or curtailed for the winter. [Not reintroduced in 1983].
December 1982	Primrose Motors	Leominster—Ludlow extension of route withdrawn except on Wednesdays.
December 1982	Yeomans	A new free bus service operated in direct competition with Primrose departures in response to competition by Primrose on the Hereford—Credenhill service. Operated for 2 weeks only.

August 1983	Midland Red	Addition of two extra departures between Leominster and Hereford ahead of Primrose scheduled services.
August 1983	Primrose Motors	Timetable and service changes (additional departures).
October 1983	Primrose Motors	Two departures discontinued.
December 1983	Primrose Motors	Services extended back from Leominster to Luston and an extra connecting service from Presteigne to Leominster introduced for Christmas period December 1–24 only.

#### Hay on Wye–Hereford

The only change on this route has been the increase in the off-peak service provided by Roy Brown's Coaches after May 1982. This was a seasonal service operated on Wednesday (Market Day) and some Saturdays. Since the Trial Area was introduced the service has operated Monday, Wednesday, Friday and Saturday and appears to be operated almost throughout the year.

#### c) Country services

The changes listed here result from operators commercial decisions, the County Councils initiatives to improve services or from changes in the specification for council subsidy contracts. The numerous small changes in timetables and routes made for operational reasons have been excluded.

November 1982	Flashes Coaches	Woolhope–Hereford	Service withdrawn.
December 1982	Sergeant Bros.	Hereford–Weobley	School day service increased to Monday–Friday throughout the year.
		Kington–Brilley	School day services introduced.
January 1983	Smith's	Ledbury–Tupsley	A new school day service. This uses otherwise dead mileage operated to position a bus.
February 1983	Hemming Coachways	Grendon Green–Hereford	Service extended to serve the hamlet of Dinmore on Fridays.
February 1983	Yeomans	Hereford–Tyberton	Service diverted via Bredwardine to cater for shopping trips on Wednesday and Saturday.
March 1983	Smith's	Ledbury–Fromes Hill circular	Certain journeys curtailed at Bosbury. Wellington Heath journeys discontinued.
April 1983	Yeomans	Abbeydore–Hereford	Departure from Hereford at 07.25 to be withdrawn Monday–Saturday.
April 1983	Yeomans	Hereford–Clehonger–Madley	Additional journey introduced at 07.35 from Kingstone Village to Hereford on Monday–Friday.

May 1983	Dean Forest Coaches	Old Pike—Hereford	Saturday service extended back to Ross on Wye. Provides a new service into Ross from Brampton Abbots.
June 1983	Morris's	Ledbury—Cradley—Hereford	Route revised. Ashperton no longer served.
June 1983	Smith's	Kynaston—Ledbury Newtown—Ledbury	Service combined and timetable amended.
June 1983	Primrose	Leominster— Sapey Bridge	New service to Worcester on Sunday, Monday and Friday. The journey beyond Sapey Bridge is free to avoid a road service licence application.
June 1983	Primrose	Presteigne—Leominster	Additional journey introduced departing Presteigne at 06.05.
July 1983	Yeomans	Hereford—Madley	Notice given for the withdrawal of the Hereford—Clehonger—Hereford service departing at 22.15. H&W CC imposed a delay on this withdrawal while patronage was assessed, see January 1984 below.
July 1983	Dean Forest Coaches	Ross—Much Marcle— Ledbury	Tendered successfully for the Saturday only contract from Much Marcle to Ledbury. Extended the service back to Ross to provide this new service.
July 1983	Hemming Coachways	Leominster—Bromyard— Worcester	Additional journey from Grendon Green to Leominster on school day mornings (Monday—Thursday only), returning from Leominster at 14.15. Withdrawn September 1983.
August 1983	Hemming Coachways	Grendon Green— Hereford	The afternoon journey from Bodenham diverted to serve Walkers' Green and Sutton St Michael.
August 1983	Hemming	Leominster—Bromyard— Worcester	Further additional journeys between Grendon Green and Leominster on weekdays at 07.30 and 15.20 with returns at 09.50 and 17.15.
August 1983	Primrose Motors	Leominster—Kington Leominster—Leintwardine— Staunton-on-Arrow— Presteigne Kington—Titley— Leominster	These services were all reduced or revised. H&W CC reduced the number of services they would subsidise and Primrose reviewed their unsubsidised operations. The net effect was the withdrawal of the Saturday service from Leintwardine to Leominster and a reduction in service from Kington—Leominster. But these changes reflected the monitored demand for services. Routes were to a large extent truncated and maintained

or improved services were operated from intermediate points, eg Shobdon—Leominster.

September 1983	Primrose	Presteigne—Leominster	Withdrawal of 0605 dep. from Presteigne on Saturday 0615 dep. from Leominster 0735 Presteigne—Shobdon 1805 Bircher—Presteigne } Friday
September 1983	Lugg Valley	Dilwyn—Barons X— Hereford.	Additional journey on Wednesday.
September 1983	Lugg Valley	Leominster—Ivington	School contract service opened to the public (school days only).
October 1983	Primrose	Kington—Presteigne	New service from Presteigne to Kington on Saturday afternoon.
November 1983	Primrose	Orleton—Hereford	School day service from Orleton—Bircher at 0755 withdrawn.
December 1983	Primrose	Leominster—Presteigne	Additional services from Presteigne—Bircher to Leominster during period December 1—24.
January 1984	Morris's	Bromyard—Ledbury	Early morning journey for commuters via Bosbury and Cradley re-routed via Bishops Frome. Service introduced with CC subsidy for 3 months in November 1982. Subsequently operated without subsidy.
January 1984	Morris's	Ledbury—Cradley— Hereford	Wednesday only service to be curtailed and operate from Bosbury Bell to Hereford and return. (Morris's operate a main road service to Hereford from Ledbury).
January 1984	Yeomans	Madley—Hereford	Late evening service withdrawn Monday—Friday.
January 1984	Smith's Motors	Much Marcle—Ledbury	Works service open to the public discontinued.

### 13. APPENDIX 5

#### HEREFORD TRIAL AREA: CHANGES IN BUS FARES

a) Hereford City Services

Fares (in pence) in Hereford City at various dates

City Centre to	Before designation	After designation	March 1983	October 1983	February 1984
Bobblestock	20 20 (Y)	20 (25 return) 15 (F) 20 (Y)	25 (32 return) 25 (Y)	25 (32 return) 25 (Y)	25 (32 return) 25 (Y) 15 (S)
Moor Farm	15	15*	20 (30 return)	20 (30 return)	20 (30 return)
Newton Farm	32	32* 20 (F)	34*	10 22 (P) 30 special return (P)	15
Red Hill	32	32*	34*	10 10 (S)	15 15 (S)
Putson	32	32*	34*	10 10 (S)	15 15 (S)
Rotherwas	32	Not operated	Not reintroduced until April 1983	10	15
Tupsley/Hampton Park Sudbury Avenue (F)	34	34* 20 (F)	37*	10 10 (S)	15 10 (B)
College Green Area	23	23*	25*	10 10 (S) 22 (P)	15 10 (B) 22 (P)
Credenhill	30 (Y)	30 (Y)	35 (Y)	5 30 (Y)† 30 (S)	15 30 (Y) 30 (S)
Tillington Common	80 peak 40 (Y) off-peak	30 (F) peak 40 (Y)	45 (Y)	45 (Y)	45 (Y)

Footnotes.

All fares are those of Midland Red except where qualified:

(Y) Yeomans, (F) Flashes, (M) Morris's, (P) Primrose, (S) Strettons, (B) Buchanans.

\* Off-peak cheap day returns available after 9.00 am.

These were introduced 21.9.1981 and cost 75 per cent of two singles.

† Yeomans Kington—Hereford service. Special 5p + 10p fares available from City boundary to centre.

b) Intertown services

Bromyard—Hereford

Midland Red fares were reduced at the start of the Trial Area to counter competition from Morris's. Return fares have not been increased since although some single fares have risen.

Day return fares – Bromyard—Hereford

	August 1981 Before designation	September 1981 After designation	February 1984
Midland Red	1.75	1.30*	1.30 .90†
Morris's	1.50 .75p (single)	1.50* .75p (single)	1.50 .75p (single)

\* Special off-peak day returns at 90–100p were operated on certain days by both operators for a period.

† A special off-peak return fare of 90p is operated on one departure from Bromyard on Wednesday.

Ledbury—Hereford

	August 1981	September 1981	February 1984
Midland Red	1.75 Return 1.10 Single	Not operated	Not operated
Morris's	No main road service	75p single*	75p* single†
Tudor	Not operated	Not operated	70p single
Smith's	(Early morning and late afternoon works service open to public)		60p single

\* Note cheaper fares were also provided from intermediate places by Morris's, the Tarrington fare being reduced from £1.45 to £1.00.

† Season tickets offering a discount introduced in April 1983.

Leominster—Hereford

There were fare reductions in this corridor when fares control was relaxed following the Transport Act 1980. Before that Lugg Valley charged 75p return, Midland Red £1.75. These fares were aligned at 90p for the off-peak return before the start of the Trial Area but Midland Red maintained a premium fare in the peak.

Return fares

	September 1981	September 1982	August 1983	February 1984
Midland Red	1.75 peak .90 off-peak	90*	1.00 (20† single)	1.00 (20† single)
Primrose	90	90	1.00	1.00
Lugg Valley	90	90	1.00	1.00

\* Peak premium abolished in response to expansion of Primrose services.

† Special promotional fares on certain journeys in each direction running just ahead of Primrose departures.

Hay—Hereford

National Welsh have introduced low priced off-peak return fares on this route since the Trial Area was implemented, perhaps in response to competition from Roy Brown's coaches, but they have made similar fare reductions on similar routes outside the Trial Area and also where no other operators have been involved in the area.

Return fares

	March 1981	January 1982	October 1982	March 1984
National Welsh	1.69	1.69 .80*	1.75 .80*	1.75 1.25*
Roy Brown's Coaches	1.10	1.10	1.10	1.15

\* Promotional special return fare on Wednesday departure at 0945, running ahead of Brown's departure.

c) Country services

Fares on the unsubsidised country services have tended to rise slightly since the Trial Area began. The fare increases have not been uniform but those that have occurred would appear to reflect increases in operators' costs. There have been larger increases in Leominster where Primrose fares were increased to more commercial levels.

There have also been changes of fare where services are operated under contract to the County Council. Generally where an independent took over from the NBC, fares were reduced, whereas a change of independent operator at the start of the Trial Area produced no significant changes of fare. After the second round of tendering some of the changes of operator brought fare increases which were surprisingly large but the fares remained below the maximum set by the County Council in the contract.

## 14. APPENDIX 6

### DEVON TRIAL AREA: SERVICE AND FARE CHANGES

#### 1. Independent Operators October 1982 – February 1984

DATE	OPERATOR	SERVICE	EXPLANATORY NOTE						
1.10.82	Angel Coaches Honiton Hon Snr Citizens	Honiton–Sidmouth Honiton–Tiverton Honiton–Exmouth	Regular Tuesday service opened to the public. Previously members of a senior citizens club only.						
15.1.83	Red Bus Services	Tipton St John–Exeter Feniton–Exeter	New Saturday services introduced.						
7.2.83	Target Transport	Crediton Town Bus Service	New service, sponsored by local traders, Crediton Town Council and Devon County Council.						
28.2.83	Stamps Travel	Honiton–Feniton–Exeter	<table style="border: none;"> <tr> <td style="border: none;">Daily commuter service</td> <td style="border: none;">}</td> <td style="border: none;">Competed with BR and in part with Devon General</td> </tr> <tr> <td style="border: none;">Thurs &amp; Sat Shopping trips</td> <td style="border: none;">}</td> <td style="border: none;"></td> </tr> </table>	Daily commuter service	}	Competed with BR and in part with Devon General	Thurs & Sat Shopping trips	}	
Daily commuter service	}	Competed with BR and in part with Devon General							
Thurs & Sat Shopping trips	}								
3.3.83	Stamps Travel	Honiton–Feniton–Exeter							
3.83	Bow Belle Coaches	Stockleigh Mill, Cheriton Fitzpaine–Crediton Route 673A	A school day service opened to the public as stage to allow collection of fares. Previously CC sold passes.						
18.4.83	W. Ridler & Son Dulverton	Exebridge–Bampton	Schools service changed to allow fares to be collected from non entitled scholars.						
18.4.83	Cornalls Coaches	Exmouth–Clyst St George	A new school day stage service. Utilises a dead return from a contract into Exmouth. No competition with other operators. Allows fares to be collected from children travelling to a primary school.						
2.5.83	Red Bus Services	Change of operator	Replaces services previously provided by Otter Tale Transit.						
28.5.83	Jack & Jill Coaches (Yendells) Witheridge	Witleigh–Gruwys Morchard Witheridge–Puddington– Exeter. Route 867	Service withdrawn. Previously 3rd Friday in month.						
28.5.83	Jack & Jill Coaches (Yendells) Witheridge	South Molton–Tiverton Route 881	Saturday service withdrawn.						
28.5.83	Jack & Jill Coaches (Yendells) Witheridge	Alswear–Exeter (Dawlish & Teignmouth extension in July & August)	Saturday service. New service. Has pick-up restrictions between Tiverton & Exeter to avoid competition with Devon General.						

DATE	OPERATOR	SERVICE	EXPLANATORY NOTE
30.5.83	R D Sprake	Gittisham—Whitebridges—Honiton	Tuesday & Friday service only. Withdrawal of Tuesday notified but following public requests the Friday service was withdrawn instead. Withdrawn because of lack of demand did not meet subsidy criteria of DCC.
30.5.83	Kingdoms Tours Ltd	Tiverton—Bampton service (Saturdays) Tiverton—Bampton—Dulverton (weekdays)	Friday evening 17.20 ex Tiverton to Dulverton and return to Tiverton at 18.35 withdrawn. Saturday Tiverton—Bampton service withdrawn previously 3 round trips. Patronage did not meet DCC subsidy criteria.
7.6.83	Axe Valley Transport	Beer—Seaton—Colyton—Shute—Honiton	A new Tuesday & Saturday morning return journey. No existing service. Originated from a request from public. Mini bus used and service is profitable.
4.83	Mid Devon Coaches	Bow—Crediton	A school day service opened to the public.
4.5.83	Go with Gordon	Exeter—Airport	Journey times to correspond with departure/arrival times of flights. This service appears not to have been operated.
17.6.83	Sewards Coaches	Lyme Regis—Exeter	Service diversion on Friday service to serve Musbury and Whitford. The Thursday & Saturday service is unaltered. Change made at request of DCC.
5.9.83	Axe Valley Mini Travel Axe Valley	Seaton Town service Seaton—Beer X and Underleys Seaton Town service Seaton—Beer X—Underleys Seaton—Axemouth	} Duplicate existing services to meet demand (Expt Area service). Previous services operated by special authorisation. Converted to PSV.
6.9.83	Bow Belle	Michaels Nymet—Crediton	School contract converted to stage. Schoolday service only.
6.9.83	Devon CC	17 contracts	School services converted to stage. Schoolday service only.
28.5.83	Autojade	Excursions from Tiverton area	to Exeter, Sandy Bay, Sidmouth & Budleigh (similar notification by Devon General followed).
28.5.83	Autojade	Tiverton—Exeter	Shoppers journey to Exeter on Sat giving 3 hours in Exeter. In competition with Devon General.

DATE	OPERATOR	SERVICE	EXPLANATORY NOTE
22.10.83	Autojade	Tiverton—Exeter	Additional return journey giving 1, 3 or 5 hour stay in Exeter.
		Note the direct competition with DG was ignored initially but subsequently DG responded with service and fares competition.	
17.6.83	Hills Taxis	Tiverton bus Stn—Verbeer Manor Hotel at Willand	Evening service Tiverton 8.00 pm return arrival at Tiverton 1.45 am Saturdays only. No competition.
10.8.83	Stamps Travel	Honiton—Exeter	Commuter service and Thursday & Saturday shopping services } Withdrawn due to insufficient demand and competition from DG.
8.9.83	Red Bus Services	Ottery—Aylesbeare—Exeter services	Thursday } Minor timetable changes Friday }
6.9.83	Red Bus Services	Broad Clyst School—Sowton	A schoolday only contract service opened to the public.
10.7.83	Red Bus Services	Excursions from Whimble/Aylesbeare area	Wednesdays & Sundays to Exmouth and Bicton.
17.8.83	Red Bus Services	Excursions from Whimble/Aylesbeare area	Monday/Wednesday or Sunday to a variety of resorts and attractions.
6.9.83	Devon County Council	17 School contract services	Opened to the public to allow fares to be collected from non entitled scholars.
10.1.84	Red Bus Service	Exeter—Ottery St Mary	Tuesday service withdrawn. Thursday and Friday service and timetable revised.
14.1.84	Red Bus Service	Exeter—Fenny Bridges via Feniton	Service withdrawn Saturdays.
16.1.84	Angel Coaches	Circular services from Honiton on Tuesday and Friday. Services 694 & 899	Services amalgamated into one service.
8.2.84	Angel Coaches	Honiton—Cullompton Wed only service 695	Discontinued, service replaced by Battens Coaches.
15.2.84	Battens Coaches	Clyst Hydon—Cullompton Wed only service	Replaces Angel Coaches Service 695.

2. Devon General Services October 1982 – February 1984

DATE	SERVICE	
December 1982	334	Timetable change to facilitate train connections in Exmouth.
December 1982	Tiverton town	Revisions of Town services associated with introduction of flat fares and a minibus service.
December 1982		Special pre Christmas shopping service for disabled people from Exmouth and Sidmouth to Exeter.
January 1983	373	Minor route alteration.
June 1983	372	A new summer Sunday service from Exeter–Bicton Park including concession on fare/admission charges.
May 1983	330	A seasonal service to Sandy Bay from Exmouth bus station.
June 1983	X56	A new experimental non-stop service to Exeter from Sandy Bay and some Exmouth residential areas. Operated six times a day.
June 1983	Area revisions resulting in a new timetable	Mainly timetable changes but some early morning services depart later and some services have been merged. 339 service has been extended to Seaton and Lyme Regis for the summer months (previously Exeter–Sidmouth). 379 service Sidmouth–Axminster has been completely revised and takes account of facilities between Beer, Seaton and Axmouth provided by Axe Valley Mini Travel Limited.
July 1983	X16	Sunday excursion from Tiverton – Exmouth – Bicton – Sidmouth
July 1983	X15, X16, X17	To introduce through services on existing services within and outside the Trial Area as and when required starting from Tiverton, Halberton, Sampford Peverell Uffculme, Willand and Cullompton.
July 1983	Minibus service	Ottery service in connection with a one day Carnival.
December 1983	373 374/5	Modifications to route and timetable. Changes made at the request of DCC.
14 November 1983	379	Seaton town bus service serving primary school withdrawn to be replaced by minibus operated by Axe Valley Mini Travel. (A full size bus experienced access problems).

### 3. Devon General Fare Changes October 1982 – February 1983

DATE	
18th December 1982	Selective fare increases on fares over 20p ranging from 4–10 per cent and averaging 7¼ per cent.
3rd January 1983	One day only promotion. Half fares in the off-peak to introduce passengers to the new company.
February 1983	Changes in some fare stages in Sidmouth. Fares reduced in some areas by 37 per cent produced a 91 per cent increase in patronage and 51 per cent increase in revenue.
April/May 1983	Fares from Clyst Honiton–Exeter reduced. Return for the price of a single (65p) until October 1983.
May 1983	Exeter–Pinhoe fare reduced from 74p to 50p in response to re-opening of the BR station. Rail fare to Exeter was 60p. Devon General did not increase this 50p fare in October 1983.
Summer 1983	Some fares in Exeter reduced from 15p to 5p to encourage short trip travellers. Later this promotion was discontinued.
15th August 1983	Season tickets between Exeter and Exmouth reduced by 18 per cent.
13th August 1983	Special fare introduced on certain Saturday journeys between Tiverton and Exeter to compete with new competition.
16th October 1983	General fares revision averaging 5 per cent. Most single fares over 20p increased by 2–5p. Lower fares unchanged. Special day return fare on 371 Budleigh Salterton–Exeter not increased (competition from before the TA). Fares from Clyst–Honiton–Exeter restored to normal scale (competition discontinued by Stamps). Return fares introduced for all journeys outside Exeter City.  The special Tiverton–Exeter fare increased from 50p to 75p return.

## ABSTRACT

**Deregulation of bus services in the trial areas 1981–84:** R D FAIRHEAD and R J BALCOMBE: Department of the Environment Department of Transport, TRRL Laboratory Report 1131: Crowthorne, 1984 (Transport and Road Research Laboratory). Trial Areas, where stage carriage bus services were deregulated, were designated in parts of Norfolk, Hereford and Worcester, and Devon, following the Transport Act 1980. All three areas were mainly rural, Hereford being the largest town in any of them. Hereford and Worcester County Council adopted a new revenue support policy, awarding contracts for subsidised bus services by competitive tender. This resulted in a transfer of services between operators, with a substantial saving in total revenue support, but little overall change in the rural bus network. There was considerable competition between unsubsidised services, mainly in Hereford but also on some inter-urban routes, with dramatic fare reductions, frequency increases and continual service changes. In the other counties revenue support policies were unaltered, and councils looked to operators to take initiatives in developing new services. The resulting changes in Norfolk and Devon were on a very small scale, and insufficient to prevent a slow overall rate of decline in rural bus services.

In itself, deregulation of bus services appears to have had little effect in rural areas, but it has led to lower fares and more frequent services in the town of Hereford and on some inter-urban routes. This competition appears to be unstable, and it is not yet clear what its long-term effects may be.

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