THE EFFECTS OF THE 1985 TRANSPORT ACT IN WEST YORKSHIRE

by D A Walmsley (TRRL) and P G Headicar (WYPTE)

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ABSTRACT

The report describes the changes in the provision of local bus services which took place in West Yorkshire when the 1985 Transport Act ('deregulation') was implemented in October 1986, and during the first year thereafter. The report is the result of a joint monitoring exercise carried out by the Transport and Road Research Laboratory and the West Yorkshire Passenger Transport Executive.

The effects of the 1985 Transport Act in West Yorkshire can be summarised as follows. The main network of services was maintained. Direct competition occurred only to a limited extent. Fares were virtually unchanged, and frequencies on some major corridors and inter-urban routes were increased. Many services were converted to minibuses. Patronage fell initially, but a year after deregulation had recovered to its previous level. There was no material reduction in public expenditure on transport.

The report describes the bus services in West Yorkshire, and details the effects of the Act on the bus operators, on the Passenger Transport Authority and Executive, and on the passengers. The extent to which the Government's objectives have been achieved in West Yorkshire are examined.

1 INTRODUCTION

This report describes the changes in the provision of local bus services which took place in West Yorkshire when the 1985 Transport Act was implemented in October 1986 and during the first year thereafter. The report is the result of a joint monitoring exercise carried out by the Transport and Road Research Laboratory (TRRL) and the West Yorkshire Passenger Transport Executive (WYPTE).

Some early results of the TRRL programme for monitoring the effects of deregulation over the whole country were reported in a TRRL Research Report (Balcombe et al 1987), and early findings from the metropolitan areas in a TRRL Working Paper (Carter et al 1986). This report is one of several dealing in much more detail with the effects of the Act in the metropolitan areas.

The report attempts to provide a factual description of the changes that have taken place. Much of the material has been gathered through regular monitoring meetings between West Yorkshire PTE and TRRL, and from statistical information available from a number of sources. One of these data sources is the computerised Bus Registration Index established at the Transport and Road Research Laboratory. This index contains details of all services registered to operate since deregulation up to and including services and amendments introduced with effect from 1 May 1988. It also contains a 'dummy' set of data supplied by WYPTE giving details of services operating at 1 November 1985 (a year before deregulation). These data have been used to supply information on vehicle-mileages quoted in this report. It should be stressed that the information on vehicle-miles is derived from registration data which may be different from the mileage actually operated. In aggregate it is felt that the data are sufficient for the purposes of the statistical analyses used in the report.

One of the effects of the Act has been to change the organisational framework within which services are provided and to separate bus operations from the PTE. This has inevitably disrupted information sources and monitoring capabilities. At the same time the volume of change in service provision itself has increased. Together these have made it very difficult to produce reliable data, and on many topics an informed assessment of the situation has therefore had to be given instead.

1.1 THE 1985 TRANSPORT ACT

The 1985 Transport Act introduced the largest change for over fifty years in the statutory framework within which local bus services are provided. It was designed to introduce a competitive and largely commercial system in place of the previous publicly owned and regulated one, and it changed the role of the authorities responsible for public transport—the Passenger Transport Authorities and their Executives in the former Metropolitan counties and the County Councils elsewhere—from a planning role to one of responding to the bus operators' commercial moves.

Prior to the Act, operators of Public Service Vehicles (PSVs) had to apply to the Traffic Commissioners for a Road Service Licence in order to run a bus service. Licences were usually granted to a single operator on any given route. For many years operators were expected to cross-subsidise services on unprofitable sections of route or at unprofitable times from other (profitable) operations in return for being given this monopoly advantage. Although powers existed for individual local authorities to support unprofitable services, it was not until the creation of the Metropolitan County Councils in 1974 with powers as Passenger Transport Authorities under the 1968 Transport Act that network support assumed general significance.
During the decade prior to deregulation it was the 'leverage' available to the PTA through payment of this support, and through its policy control of PTE bus operations, which in West Yorkshire (as in other PTE areas) effectively determined the pattern of fares and services. The licensing system nevertheless continued to represent a barrier to any new operator wishing to enter and run services commercially.

The 1985 Transport Act proposed the reorganisation of the bus industry on commercial lines, and had three main features:

1. **Deregulation:**
   - The requirement for PSV operators to obtain a Road Service licence was abolished; they were free to run any service (subject to certain safety provisions) provided it was registered with the Traffic Commissioner at least 42 days before commencing operation. Operators also had complete discretion as to the fares charged on these commercial services.

2. **Tendering:**
   - It was recognised that there would be some bus services which were socially necessary but would not cover their costs from revenue. The Act therefore allowed the local authorities to provide financial support for such services, but only by means of a competitive tendering process carried out on a service-by-service basis.

3. **Privatisation:**
   - In order to promote competition in the provision of both commercial and tendered services, the PTEs' direct bus operations (and those of municipally-owned bus operators) were reorganised into financially independent companies, and arrangements were set in motion for the National Bus Company subsidiaries to be privatised.

These changes were implemented mainly on 26 October 1986—'Deregulation Day'. However, the Act contained transitional arrangements under which those services which operators intended to run commercially from that day had to be registered eight months previously (by 28 February 1986). This was to give time for local authorities to identify the requirement for additional socially-necessary services and to arrange for their provision via tendering. After 26 October 1986 no changes were permitted for three months except with the consent of the PTE or County Council, but from 26 January 1987 operators were free to change their services at will, subject only to giving 42 days notice.

This Act took effect during the same period as bus deregulation and needs to be borne in mind when interpreting any observed changes in service provision.

Under the Act West Yorkshire County Council, along with the other Metropolitan County Councils, was abolished with effect from 1 April 1986, i.e., during the transitional period immediately prior to deregulation. Its function as Passenger Transport Authority passed to a statutory Joint Board of members nominated from the constituent District Councils. This Board had been formally established six months previously and had operated in a 'shadow' capacity during the interim. Political control of the Joint Board remained with the Labour Party although its membership was completely different from the former County Council.

The Local Government Act also gave to the Secretary of State for Transport the power to prescribe the maximum precepts of the new Joint Boards for an initial three year period. This power of 'rate-capping' placed an absolute limit on rate-borne funding by the PTA, and was potentially more restrictive than the previous arrangements under the 1983 Transport Act, under which Protected Expenditure Levels (PELs) for public transport spending merely established a ceiling protected from legal challenge. Although the Metropolitan County Councils had also been subject to general 'rate-capping' provisions under the 1983 Act, the effects on public transport expenditure were arguably less onerous since they were applicable to multi-purpose authorities (thereby allowing a degree of flexibility between expenditure heads). Furthermore, they were related directly to estimates of spending 'need'—the Grant Related Expenditure Level—in a way which the limits placed upon the new PTAs were not.

In West Yorkshire's case, the maximum precept prescribed for the first year's spending of the Joint Board (1986/87) was equivalent to an expenditure limit of £61.3 m. This compares with £72.3 m which the Executive had previously identified in its Transport Plan 1986/87--1988/89 as necessary to maintain existing facilities.

### 1.3 THE WEST YORKSHIRE AREA AND ITS BUS SERVICES BEFORE Deregulation

West Yorkshire is one of the six English provincial conurbations and has a population of 2.0 million (1981 Census). It consists of five districts: Leeds, Bradford, Wakefield, Kirklees (the Huddersfield and Dewsbury areas) and Calderdale (the Halifax area). The cities and main towns form a largely urbanised core, surrounded by a mostly rural belt about 10 km wide which is inset with several smaller free-standing towns (see Figure 1). The rural belt also contains some 300 other settlements, ranging from hamlets on the edge of the Pennines in the west, former mining
Fig. 1 West Yorkshire: main urban areas and other towns

Fig. 2 West Yorkshire: operators' market shares Nov 1985
Source: TRRL Database
settlements in the south-east, and commuter villages in the north.

To a greater extent than the other conurbations West Yorkshire has a large number of separate towns and has no single dominant centre. It also has an unusually large proportion of its population outside the main urban areas. A third of residents live in towns in the 10,000–50,000 range. One in six lives outside towns altogether in the rural and semi-rural areas which cover three-quarters of the County. Within its boundaries West Yorkshire thus has areas characteristic both of the other conurbations and of the more urbanised shire counties.

Before deregulation most bus services in West Yorkshire were operated by the PTE or by one of three National Bus Company subsidiaries: West Yorkshire Road Car Company, West Riding Group (incorporating West Riding Automobile Company and Yorkshire Woollen District) and Yorkshire Traction Company. Of the total annual mileage of 62.6 million being run at November 1985, 55 per cent was operated by the PTE, 43 per cent by the NBC subsidiaries and 2 per cent by a number of small independent companies. These proportions are illustrated in Figure 2.

To a large extent each of the major operators had its own territory dating from the establishment of the West Yorkshire PTE in 1974, and in the case of the NBC subsidiaries even earlier (see Figure 3). The PTE, having taken over the former municipal operations in Leeds, Bradford, Halifax and Huddersfield, was concentrated in these four urban areas, but also ran services in several small towns and rural areas in the south-west of the county. The West Riding Group was concentrated in the Wakefield, Castleford and Dewsbury areas. West Yorkshire Road Car ran mainly inter-urban, outer suburban and rural services to the north of Leeds and Bradford, and Yorkshire Traction inter-urban services in the south of the county. Both Road Car and Yorkshire Traction had the majority of their territory, and their company headquarters, outside the county.

The concentration of the various companies in particular areas is illustrated in Figure 4 which shows the proportion of vehicle miles in the five districts run by each operator.

During the 1974–86 period the County Council as PTA pursued a policy of gradually integrating public transport throughout the county. Stopping points and fares for the longer-distance NBC services running into the city centres in the four former municipal areas were brought into line with those of the PTE local services which ran in parallel. Farescales, route numbering, conditions of carriage, vehicle livery, timetables etc, were progressively brought together to provide a unified service. A
'Metro-National' holding company was specially formed to facilitate such operating agreements and to distribute the network revenue support received from the PTA amongst the major operators.

In the five years before deregulation the PTA pursued a policy of encouraging the use of public transport by maintaining service standards and fares at their 1981 level (except for a rounding to create 10p steps in 1983). Off-peak travel was encouraged by the introduction of a maximum fare of 30p for any single journey, and a range of pre-paid tickets was actively marketed. Arrangements for concessionary travellers were progressively improved with eventually free travel being provided for OAPs and disabled people at all times outside Monday–Friday peak periods. In response to these changes, total passenger journeys increased by 10 per cent between 1981 and 1986, reversing the previous trend of declining patronage.

In addition to their responsibility for direct bus operations and overall planning, West Yorkshire PTE had also taken control under Section 20 of the 1968 Transport Act of fourteen local rail services. Service frequencies were improved and made more regular, fares were brought into line with bus fares, and from April 1985 the county-wide ticket which allowed travel by any bus service was made valid for both bus and rail journeys.
1.4 STRUCTURE OF THIS REPORT

The changes brought about by such a complex piece of legislation as the 1985 Transport Act are of many differing types, and the benefits of the legislation as seen from one point of view may be disbenefits as seen from another. For example, the discontinuation of an unremunerative service might produce a cost saving for the operator, create travel difficulties for the passengers who use the service, and require the PTE to decide whether to provide a subsidised service with implications for its expenditure budget.

In order to ensure that the many different types of change are covered and that the impacts relevant to a particular party are presented together, the remainder of this report describes the changes associated with the 1985 Transport Act in West Yorkshire from the separate viewpoints of the main parties affected—operators, PTA, PTE, passengers and Central Government. However, it should be restated that the intention is to present a factual description of those aspects of deregulation which affect each party and not (unless stated to the contrary) to reflect the perceptions or opinions of those impacts as may be held by the individuals concerned.

The presentation is more or less chronological. The operators, by registering their commercial services before 28 February 1986, began the process of developing the network of post-deregulation services. Next, the PTA determined policies for securing services not provided commercially, for infrastructure and for the promotion of public transport. The PTE then worked within these policies, arranging subsidised services to fill gaps in the commercial network. The finished result was presented to the passenger on 26 October 1986. Therefore, the report considers deregulation first from the operators’ point of view, then from the points of view of the PTA and PTE, and then from that of the passenger. Finally, in a section on the Government’s point of view, the report describes the objectives behind the 1985 Transport Act and assesses to what extent they were achieved during the first year in West Yorkshire.

2 THE 1985 ACT FROM THE OPERATORS’ POINT OF VIEW

2.1 THE OPERATING COMPANIES

The 1985 Transport Act completely changed the context within which bus operators worked in metropolitan areas by replacing the previous requirement to cooperate by a requirement not to inhibit competition. As a result, operating agreements between the four major companies were discontinued and the Metro-National Company formed in West Yorkshire to facilitate such agreements had to be dissolved. Formal ownership of the major operators also changed as a result of the Act although their management was largely unaltered.

At deregulation the PTE bus operations and their associated assets were transferred to a new company titled Yorkshire Rider, with the PTA as its sole shareholder. (In practice the management functions of the new company had been established separately over the preceding year, although they were still formally part of the PTE.) The company continues to operate through two main divisions: East (covering Leeds) and West (covering Bradford, Halifax and Huddersfield). The East division also has responsibility for the former W R and P Bingley operations in the Wakefield area.

The NBC subsidiaries were sold as independent companies, West Riding and Yorkshire Traction through management buy-outs in January 1987, and West Yorkshire Road Car to Parkdale Holdings in August 1987. The latter company acquired Road Car’s property assets for possible development purposes and returned the bus operations to a management team comprising the Chairman of the former NBC company East Yorkshire Motor Services and former members of Road Car’s management.

Prior to deregulation there were seven other operators providing stage carriage services. The largest was the independent South Yorkshire Road Transport, operating several routes in the Pontefract area amounting to about 750 000 miles per annum. A small number of low volume minibus services were operated by independent companies with support from the local Town Councils; prior to deregulation these were the only services operating with support from outside the PTA and also the only ones where minibuses were used.

2.2 COMMERCIAL REGISTRATIONS

The overwhelming majority (95 per cent) of the registrations for commercial services to operate after 26 October 1986 were made by Yorkshire Rider and the NBC companies. Other previous operators generally registered a continuation of their established services.

At deregulation 19 ‘new’ operators—none wholly new to bus operation—registered commercial services. However, these included some works contracts and other infrequent services which had not previously been operated under Road Service Licences. As far as regular interval, daily services were concerned there were in fact six new operators running a total of nine new services. There were no taxi-buses, commuter coaches or other unconventional services registered save for the conversion of a small number of previous services to minibus operation by the major companies (see ‘Use of Minibuses’ below).
TABLE 1
Percent of vehicle-mileage registered commercially to operate from 26 October 1986

<table>
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<tr>
<th></th>
<th>Mon-Sat Daytime</th>
<th>Mon-Sat Evening</th>
<th>Sunday</th>
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<tr>
<td>Yorkshire Rider</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leeds</td>
<td>75</td>
<td>38</td>
<td>57</td>
<td>70</td>
</tr>
<tr>
<td>Bradford</td>
<td>99</td>
<td>51</td>
<td>74</td>
<td>69</td>
</tr>
<tr>
<td>Huddersfield</td>
<td>100</td>
<td>42</td>
<td>85</td>
<td>73</td>
</tr>
<tr>
<td>Halifax</td>
<td>80</td>
<td>42</td>
<td>86</td>
<td>62</td>
</tr>
<tr>
<td>Total YR</td>
<td>85</td>
<td>42</td>
<td>67</td>
<td>69</td>
</tr>
<tr>
<td>NBC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>West Riding</td>
<td>82</td>
<td>23</td>
<td>24</td>
<td>70</td>
</tr>
<tr>
<td>West Yorkshire</td>
<td>76</td>
<td>36</td>
<td>55</td>
<td>64</td>
</tr>
<tr>
<td>Yorks Traction</td>
<td>68</td>
<td>16</td>
<td>17</td>
<td>61</td>
</tr>
<tr>
<td>Total NBC</td>
<td>78</td>
<td>26</td>
<td>48</td>
<td>69</td>
</tr>
<tr>
<td>TOTAL YR AND NBC</td>
<td>82</td>
<td>34</td>
<td>51</td>
<td>69</td>
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Source: Boxed figures are from the TRRL Database, and may not be entirely consistent with the remainder, which are WYPTE estimates.

Yorkshire Rider and NBC companies registered between 61 per cent and 70 per cent of their previous vehicle mileage (see Table 1). These figures reflect the fact that many previous services were registered for less than the full period of operation and a number of minor services were not registered at all. There were only relatively few examples of an increase in mileage on particular routes, notably on services in several major inter-urban corridors operated mainly by West Riding.

Compared with the proportions of total mileage operated before deregulation the NBC subsidiaries' share of commercially registered mileage fell by three percentage points (see Figure 5). However given that these companies' routes were traditionally concentrated outside the main urban areas, it is perhaps surprising that their share was not lower still. The explanation for this maintenance of market share would appear to lie in the fact that Yorkshire Rider registered about the same proportion of its former mileage as did the NBC companies, whereas, with its predominantly urban (and presumably more commercial) operations it might have been expected to register a higher proportion. Certainly the figures mask a relative shift in operations towards the NBC areas, which becomes more apparent when the effect of tendered services is added (see Section 4).

NBC's loss of market share in the commercial registrations was made up by an increase in the size of the independents' share. This in fact doubled, though from a very small base.

A detailed breakdown of the mileage registered by Yorkshire Rider and the NBC companies by area and time period is given in Table 1.

The balance of registrations as between the three main time periods (Monday-Saturday daytime, evenings and Sundays) was similar for both Yorkshire Rider and the NBC companies. As expected, because of the cost of providing services at times of low

![Fig. 5 West Yorkshire: operators' market shares Nov 1986 (commercial) compared with Nov 1985](source: TRRL Database)
passenger demand, evening and Sunday commercial registrations were much lower than Monday-Saturday daytime. One reason why the proportion of former mileage commercially registered on Sundays is higher than on Monday-Saturday evenings is the fact that a lower volume was operated prior to deregulation—several evening services had always been omitted or run at lower frequencies on Sundays.

Although there were broad similarities in the overall proportion of mileage registered and in its division by time period there were important variations within the two main operating groups. Within Yorkshire Rider the eastern division of the company adopted the policy of extensively revising its service pattern and reducing frequencies, in order to provide a comprehensive network at a commercially-viable level of service. As a result, most parts of its former network continued to be served during the daytime, but only with about three-quarters of its previous bus mileage. In Bradford and Huddersfield, by contrast, the western division of Yorkshire Rider registered almost all of its previous daytime mileage concentrating the reductions on services at less-profitable time periods. Within this total however there were increases and decreases; certain minor routes were not registered at all whilst a number of trunk radial routes were registered at a higher frequency, with a view to improving overall financial performance.

These represented two quite different approaches to defining a commercially-viable network. In their different ways, however, both had the effect of leaving very few gaps in the network which might be taken up by other operators with either commercial or tendered services. This is likely to have been done in order to deter incursions from the NBC companies which already operated into these towns. In the case of Leeds there was also the threat represented by the independent UTB which was rumoured to be planning a major new minibus operation of the kind which the company actually introduced in south Manchester (see Pickett 1988).

In the Halifax area the pattern of commercial registration by Yorkshire Rider was different again. In this case an approach more like that of the NBC companies was adopted, with 80 per cent of former daytime mileage being registered and relatively few changes made to the pattern of services. This no doubt reflects the mix of smaller town and rural services which is a particular feature of this part of Yorkshire Rider’s territory but which is more typical of NBC operations. The way in which sizeable ‘gaps’ were left in the network is also more like the approach adopted by the NBC companies and would seem to be linked to the fact that, like them, Yorkshire Rider in this part of its area did not appear to face any serious competition (Figure 4 earlier illustrates this dominance of Yorkshire Rider in Calderdale district).

Amongst the NBC companies West Riding adopted a very distinctive pattern of registration. On all services which were commercially registered the period of operation was restricted so as to be compatible with a two-shift system of working on Monday-Saturday and a single-shift on Sunday. As a result no services at all were registered on Monday to Saturday in the early morning or after about 8 pm, or on Sundays before midday.

West Yorkshire Road Car registered a much higher proportion of its evening and Sunday services than the other two NBC companies. This may have been a commercial misjudgement since some of these services were deregistered at an early date (see Changes in Commercial Registrations below).

2.3 COMPETITION

There was no competition between the major operators evident in any of the initial registrations (other than that implied by the registration of former services which ran over the same sections of route). Services which had previously been operated jointly were mostly registered in such a way as to retain this pattern.

There were however isolated examples of competition arising from the registrations by companies who set out to run local bus services for the first time (see Table 2). Only in the case of the Morley—Leeds corridor, where newcomers Black Prince and M and T Coaches registered services along Yorkshire Rider routes did the scale of competition represent a significant threat to the incumbent operator. The changes to services in this corridor and the subsequent response of Yorkshire Rider are detailed in Appendix A. In summary, the effect was to increase the number of bus journeys along the corridor (single direction) from 6 per hour Monday-Friday daytime in October 1986 to 22 per hour in April 1987. In August 1987 this had receded a little to 19 per hour.

Yorkshire Rider also decided to retaliate against a new inter-peak shoppers service registered by the independent Abbeyways along a well-served corridor to the north of Halifax. An escalation in frequency similar to that in the Morley corridor (from 2 to 8 buses per hour on the particular route concerned) was curtailed following representations by the local authority to the Traffic Commissioner concerning road traffic effects. In June 1987 the two companies agreed to operate the service jointly with a total of 3 buses per hour.

Further instances of competition occurred in the Huddersfield area. An independent—Ivy Coaches—won tenders on three services formerly operated by the major company. Yorkshire Rider responded by registering services commercially in direct competition. In one case (service 382 Huddersfield—Brighouse) the duplication of the service continued
### TABLE 2
Commercial services introduced by new operators

<table>
<thead>
<tr>
<th>OPERATOR</th>
<th>SERVICE NO</th>
<th>ROUTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>From 26.10.86:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Abbeyways</td>
<td>565</td>
<td>Halifax—Illingworth (renumbered 501 and amended to operate jointly</td>
</tr>
<tr>
<td></td>
<td></td>
<td>with Yorkshire Rider from 1.6.87)</td>
</tr>
<tr>
<td>Black Prince</td>
<td>566</td>
<td>Halifax—Claremount</td>
</tr>
<tr>
<td>M and T Coaches</td>
<td>424</td>
<td>Thorpe—Morley—Gildersome</td>
</tr>
<tr>
<td>Pride of Road</td>
<td>X54</td>
<td>Morley—Leeds</td>
</tr>
<tr>
<td>R Lyles</td>
<td>49</td>
<td>Morley—Leeds</td>
</tr>
<tr>
<td>Yelloways</td>
<td>237/8</td>
<td>Newstead—Barnsley</td>
</tr>
<tr>
<td></td>
<td>449</td>
<td>Royston—Wakefield (extended Barnsley—Wakefield 26.1.87)</td>
</tr>
<tr>
<td>From 26.1.87:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black Prince</td>
<td>54</td>
<td>Morley—Leeds</td>
</tr>
<tr>
<td>From 16.2.87:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Four Seasons</td>
<td>166</td>
<td>Great Preston—Leeds (extended Castleford—Leeds 14.9.87)</td>
</tr>
<tr>
<td>From 1.7.87:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R Lyles</td>
<td>206</td>
<td>Dewsbury—Whitley (initially a tendered service subject to commercial</td>
</tr>
<tr>
<td></td>
<td></td>
<td>retaliation from West Riding)</td>
</tr>
<tr>
<td>From 3.8.87:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ivy</td>
<td>11</td>
<td>Brackenhall—Huddersfield—Lowerhouses</td>
</tr>
<tr>
<td></td>
<td>12</td>
<td>Balmoral Avenue—Huddersfield—Kirkheaton</td>
</tr>
<tr>
<td>From 22.9.87:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Starr Travel</td>
<td>458</td>
<td>Overton—Wakefield</td>
</tr>
</tbody>
</table>

Max. offpeak fare = 30p

![Fig. 6 West Yorkshire: fare scales Nov 1986](image-url)

Source: WYPTE Data and Publications
until termination of the contract in November 1987 whereupon it was renewed for the non-duplicated journeys only. In another case (X37 Huddersfield—Halifax) Yorkshire Rider ran nine minutes in front of the hourly tendered service and only much later (January 1988) altered the timing to the opposite half hour. In the third case (376 Huddersfield—Brownroyd Avenue) Yorkshire Rider have incorporated the duplicated section within a somewhat larger loop which was operated as one of their minibus additions to the traditional urban network.

In August 1987 (ie during the period when this retaliation against Ivy’s tendered services was in force) the company decided to register services commercially on four radial routes in Huddersfield already well-served by Yorkshire Rider, with different cross-town linkings. Three weeks later Yorkshire Rider matched these with their own services (mini-bus operated) at the same frequency but five minutes earlier. A process of ‘leapfrogging’ between the two companies ensued, involving a succession of route and timetable changes in the Huddersfield area.

2.4 FARES

At deregulation all operators continued with the county-wide fare scale which had been in operation since August 1983 (see Figure 6) and with the 30 pence maximum off-peak fare. By agreement with the PTE they also continued to accept the main established forms of pre-paid ticket which accounted for about one in six passenger journeys. This agreement was however subject to a price increase of between 10 per cent and 20 per cent (see Section 4 of this Report, which gives further details concerning prepaid tickets and prices).

Two weeks after deregulation West Yorkshire Road Car increased the maximum off-peak fare on its services to 35p for journeys up to eight miles and 50p for those above. This may reflect the fact that, because of its operating territory, its passengers made the highest proportion of longer distance journeys, so the company was at a disadvantage in maintaining a low off-peak maximum following the loss of network revenue support.

In the period up to October 1987 no other fare changes took place. In particular there were no examples of fares alterations along the routes mentioned above where competition between services has occurred. From November 1987 however the off-peak maximum was increased to 35p for all operators.

2.5 CHANGES IN COMMERCIAL REGISTRATIONS AFTER OCTOBER 1986

During the three-month ‘freeze’ on registrations after 26 October 1986 a number of minor service changes were introduced with the consent of the PTE. Most of these changes were in the nature of ‘fine-tuning’ to improve running times and reliability. A large number of such changes were made at the end of this period and a succession of small-scale changes continued almost unabated subsequently.

More major changes in registrations also occurred however, leading to changes in the total and composition of mileage operated. In the first six months after deregulation significant de-registration was confined to a group of evening and Sunday withdrawals in January 1987 by West Yorkshire Road Car on seven routes, although these were restored through tendering. During the same period additional registrations for new services or enhanced frequencies were made on a total of nine conventionally operated routes with further changes resulting from the introduction of minibus services discussed below. The net effect of these changes was that by 1 May 1987 the total mileage operated had increased from 59.9m at deregulation to 64.5m.

After May 1987 the trend of additional registrations mainly involving minibuses continued. Set against this however, in August there was a major de-registration by Yorkshire Rider involving the withdrawal of 1.7m miles of mainly evening and Sunday services on 60 routes throughout its operating area. These de-registrations included the withdrawal of its commercial evening and Sunday services in the Morley—Leeds corridor, at times when no independent services were operated. The services were however replaced by subsidised services, and by November 1987 total vehicle-mileage had increased to 66.9m (see Figure 17 in Section 5).

2.6 USE OF MINIBUSES

Prior to deregulation the only services in West Yorkshire operated by minibuses were the SKJ and Gledhill services mentioned earlier operating with Town Council support.

In their initial commercial registrations Yorkshire Rider, West Yorkshire and Yorkshire Traction included some minibus services, and West Riding registered such services subsequently. The manner in which minibuses were commercially deployed by these companies however shows some notable differences.

With the ex-NBC companies the change was relatively straightforward. At deregulation Yorkshire Traction introduced a set of minibus services in the small town of South Elmsall (population 17 000) and in March 1987 followed with a similar set of services in the nearby small town of Hemsworth. With the exception of the replacement of one former conventional service in South Elmsall, the bulk of these services represented frequency enhancements and/or greater penetration of housing areas compared with the former network. West Yorkshire
adopted a similar approach in converting local services in the small town of Otley.

West Riding’s use of minibuses was concentrated in Wakefield, one of the County’s main towns (population 77,000). In February 1987 the company converted a pair of cross-town routes to minibus operation and increased daytime frequency to 10 minutes. It also introduced a new pair of routes in the south of the town penetrating housing areas and linking them with both the town centre and a major suburban supermarket. In August 1987 two additional sets of cross-town services were redesigned and converted to minibuses at higher frequency. Of the Wakefield town services, only a single pair of cross-town routes remained conventionally operated by November 1987.

Yorkshire Rider’s operations were, of course, concentrated in the larger urban areas. Prior to deregulation it was rumoured within the industry that a major new company (United Transport Buses) was proposing to begin intensive minibus services in Leeds. In response to this Yorkshire Rider accelerated its programme of minibus acquisition and deployment. Initially it registered minibuses to replace conventional double-deck vehicles on two main radial services in Leeds with their daytime frequency increased to 3–4 minutes. In the event this created a number of operating difficulties and, as the threat of ‘invasion’ appeared to recede, the company restored the outer part of one route to double-deck operation.

Yorkshire Rider’s subsequent deployment of minibuses also followed a different pattern from the NBC companies. Between February and October 1987 it introduced minibuses on a further 16 commercial services, but with only two exceptions these were all network additions rather than conversions. Typically these additional services operated at 10–15 minute daytime frequencies on radial routes penetrating areas of housing previously not directly served. Four such services were introduced in Bradford (one later withdrawn) and two each in Leeds, Shipley and Huddersfield. The company also introduced new minibus services to counter competition from independents on established routes between Leeds and Morley and in Huddersfield.

It is perhaps surprising that none of the minor operators, either ‘old’ or ‘new’, registered commercial services using minibuses. (Only SKJ continued with their former set of low-frequency services in the Holmfirth area.) The commercial use of minibuses by the major operators, particularly Yorkshire Rider, also put them in a good position for winning tenders which were either advertised as minibus routes or where minibus options were accepted as being more cost-effective. (Further details of tendering are given in Section 4 of this Report.)

The routes on which minibuses were operated as at January 1988 are shown in Figure 7, and the growth in their use (commercial and tendered) during the

![Fig. 7 Minibus operations as at 9.1.88](image-url)
year after deregulation in Figure 8. The dominance of the major operators in this type of service and of Yorkshire Rider in particular, is illustrated in Figure 9.

3 THE 1985 ACT FROM THE POINT OF VIEW OF THE PTA

3.1 NEW POLICIES

As described in Section 1 a new Joint Board of District Councillors was established in 1985 to take over from the former County Council the responsibilities of Passenger Transport Authority for West Yorkshire. Soon after it was formed the new PTA published a statement of intended policies ‘Keeping It All Together’ (WYPTA March 1986). The stated prime policy was:

‘To retain, promote and develop the system of public transport in West Yorkshire to the largest possible extent within the restrictions imposed by the Transport Act 1985 and the Government’s limitations on spending.’

This statement indicates that despite the Authority’s opposition to both the Transport Act and the limitations on spending, it intended to use the powers available to it to achieve the best possible public transport system for West Yorkshire.

In the periods both before and after deregulation the Authority’s policies have been directed primarily to maintaining the successful features built up over the preceding years: a full, integrated network of services, a coherent and stable county-wide fares and ticketing system, a comprehensive concessionary travel scheme and an extensive information and
promotion programme. The actions taken by the PTE in pursuing these objectives are described in Section 4 of this Report. The current section explains the financial context within which these programmes were set, and mentions several major developments which the PTA has initiated which are also relevant but which are not directly linked to bus deregulation.

3.2 FINANCIAL CONSTRAINTS

In 1986/87, the financial year in which deregulation took place, the PTA was subject to an expenditure limit (EL) of £61.3m, some £10m less than had been applied for as the minimum necessary to maintain the previous service features mentioned above. The Authority was nevertheless able to continue with its policies by virtue of the Executive using £6.6m of reserves built up over several successful years as an operating company.

The Authority’s policies for the period after deregulation (notably the extent of commitment to tendered services) also had to have regard to the likely future availability of funds. The precept limit set for 1987/88 in February 1987, after redetermination of the EL under the Local Government Act 1987, implied expenditure of £59.1m, compared with an application for £67.7m. However, through a combination of several small-scale economies and a number of favourable factors influencing the 1986/87 outturn position, the Authority was able to budget for expenditure by the Executive of £65.3m in 1987/88, enabling its policies to be continued for a further year without major change.

The fact that the Authority was able to maintain previous service features, despite two years of precept control, has much to do with the successful trends already established and the absence of major changes at or after deregulation to upset these trends. In particular the cost of the Authority’s concessionary travel scheme was considerably less than anticipated (some £3m per annum), due to operators being able to continue after deregulation with the same basic fare scale as had applied since 1983. The effect of the West Yorkshire and Yorkshire Rider evening/Sunday deregistrations on the volume of tendered services required was also offset by a continuation of the general stability and local enhancement of the network of daytime services.

3.3 PTA INITIATIVES

3.3.1 AccessBus

In May 1986 PTA launched ‘Project Access’, a programme of measures designed to improve the availability of public transport to people with impaired physical mobility. An important element of this programme was the introduction of an AccessBus service jointly with District Council Social Department. AccessBus is a pre-booked door to door service controlled by PTE staff and using District Council vehicles equipped with lift, wheelchair and escort facilities. Currently this service operates throughout Calderdale and Wakefield Districts and in parts of Leeds and Kirklees Districts. Further extensions are planned so that the service should be available throughout West Yorkshire in 1989.

3.3.2 Rail services

For some years the PTA has pursued the policies of improving and regularising the frequency of local train services, of introducing new stations and rolling stock and of integrating fares within the County-wide system of ticketing. These policies were reflected in a growth of patronage of the order of 50 per cent between 1982 and the time of deregulation. No change to these policies was made on account of deregulation although at the time of writing a longer term exercise in development was under way.

The Authority’s initial policy statement provided for the retention of the local rail network and its development where resources permitted. A Joint Working Group with the PTE and British Rail was established to review the scope for such development within the context of current support payments. The Report of the Group (‘Rail Policy Review’ March 1987) envisaged further improvements in services, stations and rolling stock, the revenue cost being met partly through improved effectiveness and partly through increased patronage. The effect of deregulation appears to have been to add to recent trends and to accelerate the need for additional capacity. The PTA responded to this situation by ordering additional centre cars for 10 out of the 32 two-car Pacer units used on local services in West Yorkshire.

3.3.3 Development strategy

At about the time of deregulation the Authority was particularly concerned that the constraints of the new era might lead to an undesirably narrow and short-term view being taken of the prospects for public transport generally within the county. This was especially important because of the new planning and highways functions being adopted by the District Councils in the wake of County Council abolition. The Authority wanted to ensure that there was public consideration of the subject and that both District Councils and Central Government should be presented with the possibilities for development. The Authority therefore commissioned the production of a ‘Development Strategy’ and a consultative report was published in May 1987.

The Development Strategy reviewed future prospects over the next 10–15 years and put forward proposals across the whole range of service features—bus, rail and other fixed track systems, special services and taxis, information and promotion, fares and ticketing. The Authority acknowledged that under current constraints it might not be possible to ensure progress in all the forms proposed but considered
that by taking a lead it might help inform and influence other agencies, (including the commercial bus companies) to follow its strategy. Since the publication of the Development Strategy there has been important progress on three main items identified in the report—a joint study with Leeds City Council of the first stage of a Light Rapid Transit project, a corporate identity campaign for Metro (the range of PTA supported services) which began in October 1987, and firm proposals for a new trolleybus system beginning with a Buttershaw-City Centre route in Bradford.

4 THE 1985 ACT FROM THE POINT OF VIEW OF THE PTE

4.1 STRUCTURAL CHANGES

Following the passing of the Transport Act 1985 one of the first priorities for the PTE was to set up a management structure which would allow for the separation from the Executive of its operating activities which were to be formed into a new company trading commercially. By the end of 1985 the executive directors of the initial company (which became Yorkshire Rider) had been chosen and an existing director of the Executive had been designated as Director responsible for the residual functions of the Executive.

The Business Plan for the initial company was submitted in March 1986. This envisaged a company with a slightly lower level of activity than the PTE's direct bus operation. It was anticipated that the company would require only 1004 buses and coaches leaving 95 surplus vehicles to be sold by the Executive. As a result, arrangements were also made for the closure and sale of an engineering works and two bus garages. Following further analysis of the prospects for competition a third garage which had originally been proposed for closure was however retained by the company as an operating base for minibuses. This analysis also led to a decision to acquire 85 minibuses which were purchased by the Executive and transferred to the company.

The responsibilities of the new Executive were:
- to advise the Authority on policies and passenger transport requirements;
- to secure through a process of tendering the provision of necessary bus services which were not provided commercially;
- to secure provision of local rail services through agreement with British Rail under Section 20 of the Transport Act 1968;
- to administer the Authority's concessionary travel scheme on commercial as well as subsidised services;
- to promote the public transport network through ticketing systems, marketing and information services;
- to provide passenger facilities, notably bus stations, shelters and stops.

The staffing levels of the new Executive took full account of the Authority's desire to maintain pre-paid ticketing and comprehensive information to passengers, and to continue to promote the use of public transport. In addition, the responsibility for the maintenance and improvement of bus stations, stops and shelters remained with the Executive. Furthermore, it was agreed that the Executive would provide Yorkshire Rider with services connected with property maintenance and legal services.

The structure of the new Executive incorporated three full-time Directors with the following responsibilities:
- the Director General had responsibility for policy advice and planning, and for administrative, legal and personnel services;
- the Passenger Services Director had responsibility for service planning (including rail services), service information, promotion and pre-paid ticket sales, and for bus stations and bus shelters;
- the Commercial Director had responsibility for finance, tendered service contracts, reimbursement of concessionary fares and distribution of pre-paid ticket revenue and for property services.

In total the Executive employed 4184 staff at 31 March 1986. Restructuring to form the initial company and to carry on its revised functions led to 921 staff taking advantage of the Executive's early retirement/voluntary severance scheme at a cost of £11.9 m. Immediately prior to deregulation the combined employment of Yorkshire Rider and the Executive was 3992. Compulsory redundancies were avoided and the 46 staff left without comparable duties were redeployed with the Executive. These staff, plus about 30 temporary employees, assisted with the exceptional workload which had to be handled during the transitional period.

4.2 CONTEXT FOR DEREGULATION

It is important to recognise that, as well as preparing for deregulation in the year or so prior to October 1986, the PTE was continuing to implement the policies of the former County Council and the new Joint Board PTA as they applied under the previous regime. A number of important changes in fares and services took place within this period and this established the 'base' from which the PTE was to pursue its new responsibilities.

Probably the most significant change was the extension of free concessionary fares for elderly and disabled persons during the summer and autumn of
1985. Previously these passengers had been required to pay half fares (except on Sundays), but free fares were introduced at all times apart from peak periods on Mondays to Fridays.

During the same period the price of most pre-paid tickets was reduced. The multi-journey ticket (SaverStrip) was reduced by 10% to give twelve rides for the price of nine, the one day system-wide pass (Day Rover) was halved in price, and the price of the system-wide travelcard (MetroCard) was reduced by 10 per cent—the third reduction in MetroCard since 1980.

Off-peak rail fares were reduced in two stages during the early part of 1986 to give comparability with bus fares (ie 30 p maximum for all journeys), and JobSeeker, the travelclub ticket for the unemployed, was extended to cover the use of rail. The same ticket was also later re-launched as MetroRover at a reduced price and extended to cover companions of the ticket holder.

During the summer of 1986 further improvements in fares and ticketing were introduced, amongst which was the introduction of a new ticket, MetroPass, which is a transferable weekly MetroCard.

During the same year service provision remained relatively static. Preparations for deregulation necessarily brought the programme of service optimisation schemes to an end. A few improvements anticipating the service changes at deregulation were however introduced. In summary, therefore, it was in a context of improving concessions, lower fares, increasing levels of pre-payment and stable service levels that the PTE's preparation for deregulation took place.

4.3 PROVISION OF TENDERED SERVICES

4.3.1 Identifying the socially necessary services

Given the overall policy objective set by the PTA and quoted in Section 3.1 above—to retain, promote and develop the system of public transport in West Yorkshire to the largest possible extent—the PTE interpreted the level of service which was 'socially necessary' as being that offered by the former integrated network. Following the initial registrations in February 1986 the PTE therefore began to identify gaps in the commercial services which needed to be made good by subsidised services.

The tendering task was relatively straightforward in those situations where a previous service had been omitted altogether or where the established operators had registered commercial services in much the same form as before, but with restrictions on route-length or time-period. In these cases tenders were normally invited for the replacement of former services, or for route extensions or time-period continuations of services in their commercially registered form. This was done in order to minimise confusion for passengers, who as a result would be largely unaware of the distinction between commercial and tendered services even where these were run by different operators.

In places where deficiencies existed but where commercial services did not follow the previous pattern the PTE set about trying to design tendered services which would supplement those already registered so as to achieve overall standards of service the same as before (in terms of access to the network, destinations served, periods of operation and frequencies). At the same time, the PTE was anxious to avoid inserting tendered services which would abstract revenue from commercial ones, partly because this might be seen as unfair competition, and partly because it might cause the commercial service to be withdrawn leaving the PTE in the position of having to subsidise the whole service.

This approach encountered difficulties in only two kinds of situation—those where routes had been maintained but frequencies reduced, and those where the network had been wholly redesigned. In many parts of Leeds these difficulties were encountered simultaneously, and were compounded by the fact that—as described under 'Commercial Registrations' in Section 2.2—the new network had deliberately been designed to minimise the number of gaps which could practicably be filled by additional services.

Of course, services were not always restored in precisely the same form as previously. In many cases the Executive took the opportunity to introduce small-scale adjustments in the volume and pattern of services in order to reflect passenger demand and requests received from the public.

In a proportion of cases it was not practicable to match previous standards of service because of difficulties arising from the relationship of commercial to tendered services. Thus in well-served places where the previous service had been registered commercially but at a reduced frequency it was sometimes not possible to restore frequencies without introducing unfair competition. Service standards in these places remained acceptable nonetheless.

By contrast, in places which had a relatively low level of service previously and where no service had been registered commercially it was often only practicable and cost-effective to provide a service at considerably higher frequency than before. This was particularly the case with the new services utilising minibuses introduced in the small towns of Todmorden, Hebden Bridge and Ilkley. Higher levels of frequency and penetration were also achieved.
using minibuses on a number of tendered services (both new and replacement) designed for the inner city area of Leeds.

The tendered services operating during the first year after deregulation can be categorised in terms of their relationship to the commercial network as follows:

<table>
<thead>
<tr>
<th>Per cent of tendered vehicle miles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time-period extensions of commercial services</td>
</tr>
<tr>
<td>Separate services (ie wholly tendered)</td>
</tr>
<tr>
<td>Route extensions of commercial services</td>
</tr>
<tr>
<td>Frequency enhancements of commercial services</td>
</tr>
</tbody>
</table>

Although the direct enhancement of frequencies by tendering was therefore rare a number of the wholly tendered services were designed in such a way as to restore frequencies or capacity on sections of route where commercial services operated but without undermining their viability.

### 4.3.2 The Tendering process

It was originally planned that the tendering process would take place in three batches, with operators being advised of the results for each batch before the closing date for tenders for the next batch. In this way it was envisaged that operators could adjust the volume and price of their later bids in response to their previous success in winning contracts.

In the first batch it was decided to invite tenders for some relatively uncontroversial services (eg time period extensions of main trunk routes) and meanwhile to seek the views of the public on proposals for the bulk of tendered services. This was done by mounting a one-day mobile exhibition in nineteen towns in the County, followed in each case by a public meeting in the evening.

In the event, five batches of tenders were required to complete the main tendering exercise. This was because of the difficulty of achieving the aim of restoring service levels, particularly in Leeds, and also because in certain cases the small number of bids and high prices led to services being readvertised. Both these reasons led to services having to be included in more than one batch which caused the tendering period to be extended. In a few cases tender specifications were revised to take advantage of alternative options submitted by operators. As deregulation day approached minor deficiencies in service provision were still being identified and it was necessary to let a few services on emergency tenders to ensure that continuity of service was achieved.

### 4.3.3 Tender specifications

The tender specification adopted by the Executive provided that the operator should display a notice to the effect that the service is supported and that prepaid tickets and concessionary fares are accepted. (A standard vinyl was supplied by the PTE for the purpose). The fares charged were to be those of the county-wide scale before deregulation (with a permitted variation of plus or minus 20 per cent) and, subject to this, to be within the range of any commercial fares applying on any section of the tendered route.

In practice operators generally maintained the previous fare-scale on both commercial and tendered services. During the first year of deregulation, only in the case of the maximum off-peak fare on West Yorkshire Road Car services did a fares ‘anomaly’ arise, with the increased fare of 35 p applying to all tendered journeys over two miles, but with a higher 50 p fare beyond eight miles on commercial journeys.

On vehicle design the PTE specified conditions commensurate with the high standards previously operating (notably on step heights for boarding). However, the Authority allowed the PTE to relax these conditions in isolated instances where a tender could be secured at much lower cost or where no bid might otherwise have been obtained.

Contracts were generally awarded for between sixteen months and three years on a cyclical basis which would enable all tendered services in a particular area to be renewed at the same time. Certain high-price tenders and services of an experimental nature were however let for one year or less.

### 4.4 TOTAL TENDERED SERVICES

In all a total of 532 tenders were invited. Competition was very limited, with 66 per cent of the tenders uncontested and only 6 per cent—mainly in the later stages of tendering—attracting more than 2 bids.

In total, contracts to commence on 26 October 1986 were awarded for 15.4 m miles per annum (excluding schools) at an annual cost of £14.7 m, or 96 p per mile. (This mileage is a WYPTE estimate derived from contract specifications, and may differ slightly from estimates of tendered mileage based on registrations in the Bus Registration Index, because some registrations contain both tendered and commercial mileage.) A year later both volume and total costs were higher at 17.6 m miles and £16.2 m (mainly due to the Yorkshire Rider deregistration) although average costs had fallen a little to 92 p per mile. Tendered services in total were expected to cost £17.5 m in 1987/88.

Figure 10 shows the proportion of the initial tendered mileage won by the different types of operator compared with the proportion commercially
registered. On the face of it the NBC companies appear to have been particularly successful in winning tenders and Yorkshire Rider unsuccessful. However this overlooks the fact that the geographical distribution of tendered services was not uniform—and hence the probability of particular companies winning tenders was not equal. In fact only three services changed hands between these two main operating groups as a result of the tendering process, and on the whole the NBC companies simply won back, on tender, those services (evenings, Sundays and parts of routes) which they had not registered commercially.

Yorkshire Rider, too, won back most of its curtailed evening and Sunday services, though—as Table 1 shows—it had registered a generally higher proportion of these commercially than did the NBC companies. This was to be expected given Yorkshire Rider’s predominantly urban operation, and is the reason for the company’s lower market share of subsidised services.

The outcome of the tendering process was therefore to bring the total mileage operated by NBC companies to only a little below their pre-deregulation level (Figure 11). By contrast Yorkshire Rider suffered an overall loss of more than 10 per cent. (This was due primarily to the low proportion of mileage registered commercially in Leeds with the reductions being in the form of reduced frequencies and redesigned routes which did not facilitate
Fig. 12 West Yorkshire: operators' market shares Nov 1986
Source: TRRL Database

Fig. 13 West Yorkshire: vehicle-miles by district and operator type Nov 1986
Source: TRRL Database
mileage restoration through tendering). At the same time the independents succeeded in gaining a proportion of tenders which matched their increased presence in commercial services. Within a reduced total of all mileage operated, the overall market share of the NBC companies therefore remained virtually static and the main feature was a shift from Yorkshire Rider (down from 55 per cent to 51 per cent) to the independents (up from 2 per cent to 6 per cent). The market shares after deregulation are shown in Figure 12 which can be compared with those before in Figure 2.

Figure 13 (market shares in each district) shows Yorkshire Rider still operating the majority of services in its traditional areas: Leeds, Bradford and Calderdale. However, comparison with the equivalent diagram for pre-deregulation (Figure 4) shows a substantial fall in Yorkshire Rider’s market share in Leeds, the largest district, from 65 per cent to 60 per cent.

In the year following deregulation the bulk of additional mileage which was introduced was by Yorkshire Rider, mainly through use of minibuses, so that by November 1987 the company had recovered its position to an overall 52 per cent market share, while the NBC share fell back to 41 per cent. These market shares are illustrated in Figure 14.

As a result of the tendering process, 9 independent operators won subsidised services, of whom 7 had not operated services prior to deregulation and 3 had not registered any services commercially. Subsidised mileage operated by independents amounted to 750 000, or just over 5 per cent of the total subsidised mileage, and a year later this had risen to 830 000 (6 per cent). Figure 15 shows the changes in

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**Fig. 14 West Yorkshire: operators’ market shares Nov 1987**
Source: TRRL Database

Leeds, the largest district, from 65 per cent to 60 per cent.

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**Fig. 15 West Yorkshire: vehicle-miles, large private operators* Nov 1985 to 1987**
*Operating over 50 000 veh-mls p.a.*
Source: TRRL Database
vehicle-mileage for the principal private operators, as at deregulation and one year later, compared with before deregulation.

4.5 CONCESSIONARY TRAVEL

The PTE operates a concessionary travel scheme on behalf of the Authority. A continuous passenger survey is undertaken which enables estimates to be made of the volume and composition of concessionary travel, and operators are reimbursed on a monthly basis for the revenue forgone.

The new Authority's scheme was published by the Executive in April 1986 and provided for the same concessions as offered previously by the County Council viz:

<table>
<thead>
<tr>
<th>Category</th>
<th>Peak (Mon–Fri before 0930)</th>
<th>Off Peak (All Other times)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children 5–15</td>
<td>Half Fare</td>
<td>Half Fare</td>
</tr>
<tr>
<td>Scholars (16–18 in full time education)</td>
<td>Half Fare</td>
<td>Half Fare</td>
</tr>
<tr>
<td>Old Age Pensioners</td>
<td>Half Fare</td>
<td>Free</td>
</tr>
<tr>
<td>Disabled</td>
<td>Half Fare</td>
<td>Free</td>
</tr>
<tr>
<td>Blind</td>
<td>Free</td>
<td>Free</td>
</tr>
</tbody>
</table>

The scheme was later revised to include the new categories of handicapped persons and authorised companions of disabled people allowed for in the Order made under the 1985 Act.

In its reimbursement formula the PTE applies a generation factor to the difference between the average actual concessionary fare and the average equivalent full fare. The average is calculated for each operator and the generation factor varies according to the concessionary group concerned and the time of day. For example, a 16 per cent generation factor is applied to pensioners' journeys in the peak period when they travel at half-fare and 45 per cent in the off-peak when they travel free.

At deregulation all operators agreed to maintain the prevailing concessionary travel scheme on all local bus and rail services in West Yorkshire, making it unnecessary for the PTE to resort to compulsory participation orders on operators. The scheme was estimated to cost £18.8 m in 1987/88.

4.6 PROMOTION

As indicated earlier it was the wish of the Authority that the PTE's range of information and promotion facilities associated with the previous integrated network should be maintained as far as possible. It was felt to be especially important to reinforce passengers' impression of a unified system at a time of considerable disruption and uncertainty and when individual operators might act in a way designed to 'corner' a particular section of the market. In many cases the agreement or cooperation of the operators was required in order that the PTE can carry out its promotional activities, though the individual operators are also free to sponsor their own promotions if they wish.

The PTE's promotional work is undertaken in three main areas: pre-paid tickets, information and publicity, and passenger facilities. Together these were estimated to cost £4.9 m in 1987/88.

At deregulation the operators agreed to accept most of the pre-paid ticket types available previously subject to price increases of between 10 per cent and 20 per cent. (These increases may be seen in part as a restoration of the reductions introduced over the previous year as described earlier). Details of the tickets are given in Table 3. Together they account for almost a quarter of all passenger journeys on which a fare is paid. The PTE advertises and administers sales of these tickets and every quarter redistributes 100 per cent of the revenue received to operators in proportion to the patterns of use identified in the Executive's passenger surveys.

The PTE made arrangements to continue and expand its role in the provision of information about services. Prior to deregulation, a media campaign, including TV advertisements for the public to 'Get Buswise', was launched to make the public aware of the post-deregulation network services. In addition, a telephone enquiry facility, 'Busline', was established. The Executive continued to operate four travel centres and a mobile information office and to distribute timetables and other material to a wide variety of outlets.

At deregulation the Executive published a new edition of the three forms of timetable established previously:

1. A set of six network guides was prepared which as well as giving details of individual routes and summary bus times provided overall information on rail services, fares, concessions and pre-paid tickets. The relevant local guide was distributed to each household in the County.

2. Timetable leaflets were published for individual services or service groups, listing all journeys in the relevant corridor irrespective of operator and whether commercial or tendered. The initial print-run required 4 000 000 leaflets for 213 service groups. The timetable leaflets were available through information offices.

3. The timetables relating to all services in six areas of the County were compiled into book form for distribution to operators or sale to the public at a small charge.
### TABLE 3
Details of pre-paid tickets

<table>
<thead>
<tr>
<th>Name</th>
<th>Version</th>
<th>Price (1)</th>
<th>Description</th>
<th>Annual Receipts (2)</th>
<th>% journeys (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MetroCard</td>
<td>Weekly</td>
<td>£6.50</td>
<td>Unlimited free bus and rail travel within County. Not transferable</td>
<td>£7.7 m</td>
<td>11.0%</td>
</tr>
<tr>
<td></td>
<td>Monthly</td>
<td>£20</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Quarterly</td>
<td>£55</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Annual</td>
<td>£200</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Student</td>
<td>£44</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Quarterly (5)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Metropass</td>
<td>Weekly</td>
<td>£6.50</td>
<td>Unlimited free bus and rail travel within County. Transferable</td>
<td>£0.3 m</td>
<td>0.3%</td>
</tr>
<tr>
<td>Metro Day Rover</td>
<td>Adult</td>
<td>£1.20</td>
<td>Unlimited free bus and rail travel within County for one day, except that</td>
<td>£0.8 m</td>
<td>1.5%</td>
</tr>
<tr>
<td></td>
<td>Half-rate</td>
<td>£0.60</td>
<td>(a) not available before 0930 Mon–Fri</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Family</td>
<td>£2.40</td>
<td>(b) half rate ticket not valid on rail for children</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saverstrip</td>
<td>11</td>
<td>50 p–£7</td>
<td>12-journey ticket sold at 16.7% discount (12 for the price of 10) covering</td>
<td>£6.4 m</td>
<td>10.3%</td>
</tr>
<tr>
<td></td>
<td>different</td>
<td></td>
<td>all bus and rail journeys in County (all fare values covered by mixing tickets, etc)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MetroRover (5)</td>
<td>4-weekly</td>
<td>£1.20</td>
<td>Unlimited bus and rail travel within County at child fare for the unemployed</td>
<td>£0.08 m</td>
<td>1.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>and three named dependants (children travel at half child fare)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>£15.3 m</strong></td>
<td><strong>24.1%</strong></td>
</tr>
</tbody>
</table>

(1) Prices as from 26/10/86 to 31/12/87
(2) Receipts based on prices 26/10/86–31/12/87
(3) Journeys as a % of prepaid + cash-paying passengers ie excluding non-fare-payers (eg elderly and disabled of peak)
(4) Discounted when sold in bulk to Companies
(5) Only available to qualifying passengers.

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![Graph showing changes in registered services from Nov 1986 to Nov 1987](image)

**Fig. 16 West Yorkshire: amendments to original registrations**

Nov 1986 to Nov 1987 cumulative changes

Source: TRRL Database
After deregulation the PTE retained control of 18 of the County’s 26 bus stations and assumed responsibility for all bus stops, passenger shelters and their associated timetable panels. Charges of 15 p per departure were levied at the largest of the PTE's bus stations (reimbursed on tendered services), with lower rates at smaller stations and for minibuses. This resulted in some transfer of services out of the bus stations in the largest towns but only in Halifax (where the existing bus station is poorly located and a new, more accessible one is being built) did this occur on a large scale.

4.7 EVENTS SINCE DEREGULATION

The single most important feature for the PTE of the period following deregulation was the scale of continuing change. Amendments to registered services were being—and continue to be—made at the rate of 140 per month (see Figure 16); over the first year 27 per cent of the original registered services were withdrawn (with a similar number of new registered services) and another 22 per cent were amended.

In this context the term ‘registered service’ means a principal service as it appears on a registration form. Because of the incidence of jointly operated services, groups of services registered together, and of separate registrations for subsidised and commercial parts of a route, registered services do not necessarily correspond to services as identified in the timetables. Even so, when interpreted at the level of individual services on the road, the number of amendments represents a rate of change of about 80 services a month with some changes being introduced, on average, every third day.

The scale of change presents particular problems in publicising service alterations, reflected in the fact that most of the initial timetable leaflets had to be reprinted within a year of deregulation, several more than once. The servicing of timetable panels at bus stop sites has also been a continuing problem for the PTE.

Except where important network changes or new facilities are being introduced operators do not normally produce their own information. The Executive has tried to reduce the volume of new information required by encouraging operators to confine changes to a limited number of dates on a pre-determined cycle, but so far with very limited success.

The problem of disseminating information about service changes is being tackled at present by placing advertisements in local newspapers each week and by placing posters in buses. In addition, the Busline enquiry service has been maintained and continues to deal with around 2500 calls a week.

The Executive has continued to advertise services for tender, mostly to cover incidental deregistrations, seasonal services and services due for renewal. A further 15 batches were processed in the year to October 1987. In line with PTA policy it also issued tenders for services to replace the major commercial withdrawals by Yorkshire Rider in August 1987.

Since deregulation the PTE received claims from two major operators for additional reimbursement for excess capacity provided as a consequence of the concessionary travel scheme. In response the Executive amended its scheme to incorporate an excess capacity element as part of the standard formula. At the same time the generation factors were revised—as provided for in the initial scheme—to take account of the effects of inflation and of latest experience of the operation of the scheme.

The reimbursement of pre-paid ticket revenue produced some initial problems due to changes in the pattern of take-up combined with very limited passenger data in the first few months whilst the Executive’s new survey team was being established. To try and improve the situation the Executive appointed consultants to advise on the procedures adopted. It also undertook a survey of MetroCard users to help identify the correct allocation of its revenue between bus and rail.

After deregulation the use of pre-paid tickets declined considerably. In the year to November 1987 the volume of Metrocard sales fell by 11 per cent compared with the previous year and Saverstrip by 17 per cent. To an extent these changes of course reflect the lower level of patronage generally during this period and the increase in ticket prices (or reduced discount) at deregulation relative to cash fares. The Executive nevertheless remains concerned at the decline and the possible drop in confidence in the public transport system as a whole it may represent. At the end of 1987 it therefore appointed consultants to investigate possible reasons for the use or non-use of pre-paid tickets.

5 THE 1985 ACT FROM THE PASSENGERS’ POINT OF VIEW

5.1 THE SITUATION BEFORE DEREGULATION DAY

In the months prior to deregulation several factors combined to cause a high degree of uncertainty amongst the travelling public:

1 The unknown outcome of the new arrangements:
   There was no prior experience of deregulation in metropolitan areas which could be drawn on to enable the public (or anyone else) to anticipate the likely outcome.
2 The separate, advance notice of commercial registrations:
The initial registrations were given considerable prominence by the local press which did not always acknowledge that the process was incomplete at that stage and that the PTE had a complementary role in restoring 'socially necessary' services. As a result fears were likely to have been aroused unnecessarily.

3 The short timescale of implementation:
Because of the lengthy process of arranging tenders it was not until shortly before D-day that full details of all services could be announced. Obviously anxiety was greatest in places—notably Leeds—where it was known that major change was to take place. Yet by the same token the complexities involved in arranging tendered services meant that these were the last places where the full outcome could be known and publicised.

4 Uncertainties surrounding the PTA's financial position:
During this period the Authority had to be cautious in the assurances it gave the public about which services would be subsidised, because of restrictions on expenditure and the unpredictability of calls on its resources. As a result, it was not in a position to be able to give automatic 'guarantees' which would allay passengers' anxieties.

5 The political controversy surrounding deregulation:
The principle of deregulation was highly contentious in West Yorkshire and other Metropolitan Counties where the responsible authority was opposed to it. Preparations for deregulation therefore took place amidst something of a 'propaganda war' which tended to highlight the best or worst possible outcomes and therefore to exaggerate in the public's mind the probability of major change.

These uncertainties inevitably generated widespread anxiety, because even at a late stage, the existence or precise timing of many individual journeys which are important in meeting individuals' travel needs could not be confirmed. Anxiety often turned to frustration and anger when people learned of an impending adverse change but found that there was no public authority who had responsibility or power to do anything about it. Although deregulation was widely publicised many members of the public obviously had difficulty assimilating its implications where these cut across a lifetime of experience under a regulated system.

During the tendering period the PTA and PTE mounted a programme of exhibitions and public meetings in order to heighten awareness of the forthcoming changes, to give information in those cases where the outcome was known and to consult the public on the services which remained to be tendered for. As with all such consultation exercises there was inevitably a mix of benefits and disbenefits. The fact that arrangements were not settled meant that members of the public could genuinely influence the process of tendered service design. On the other hand, some people who were looking to the programme to provide answers to their queries may have had their anxieties raised by finding out that no 'solution' had yet been arrived at.

5.2 THE CHANGEOVER
Although the PTE had planned that its network guides and timetable leaflets giving information on the new services would be available prior to D-Day, a few days slippage in the delivery programme meant that in some cases this was not achieved. During the critical change-over period the telephone enquiry point was frequently over-subscribed. As a result, during the first few days of the new system a number of passengers were without complete information about the changes which affected them.

At some of the more important bus stops display cases were located containing extracts from the relevant individual service leaflets. The late availability of the new editions of these leaflets coupled with the scale of the update exercise and limited manpower meant that at the majority of these sites it was several weeks before new information was installed. At most other bus stops information on the numbers and routes of services had not previously been provided, so the problem of changeover did not arise, but equally there was no information to guide passengers of new arrangements.

Keeping passengers up to date with changes to services has been a continuing problem. However, once regular passengers had familiarised themselves with the new 'base' situation they could find out about individual services from press advertisements and on-vehicle posters published from week to week, followed up where necessary by requests to travel centres or BusLine. Occasional passengers and visitors to an area remained at a relative disadvantage—as they always have been—although this was exacerbated by the greater rate of change since deregulation.

At deregulation itself the scale of service changes by Yorkshire Rider in Leeds, including the introduction of minibuses, caused major problems for passengers. Difficulties were compounded by drivers' unfamiliarity with the new services, a reduction in the number of vehicles at peak times and some over-tight scheduling. There was a tendency for these problems to feed on one another, for instance where passengers asked drivers for information before boarding, thus causing extra delays which could not be made up in view of the tight scheduling.
5.3 OVERALL SERVICE STANDARDS IN THE NEW ERA

The conservative approach to service registration which was adopted by most operators, coupled with the restoration of established standards of service through tendered services where necessary, meant that once the initial confusion had passed the facilities enjoyed by passengers after D-day were for the most part very similar to those before. The same sections of route were usually served during the same time periods to the same destinations at the same or similar frequencies—often by precisely the same route, route number and basic timetable. The same fares, concessions and pre-paid tickets were available and although pre-payment prices had increased they still offered an attractive rate of discount for most passengers compared with the (unchanged) cash fare alternative.

The extent to which service standards were maintained can be gauged very broadly from the total volume of bus mileage operated (ie commercial plus tendered). As shown in Figure 17 this initially fell by 4 per cent at deregulation, but subsequent increases meant that a year later total mileage was about 7 per cent higher than before deregulation.

Changes in overall mileage do not of course imply an equivalent uniform change in all aspects of service levels. Evidence of changes at a representative sample of locations throughout West Yorkshire suggests that at deregulation the average distance to the nearest bus route improved (ie the network became somewhat ‘finer’) but frequencies deteriorated in all time periods, especially the Monday-Friday peak. In the months after deregulation frequencies improved on average and became better than before deregulation during Monday-Saturday daytimes, but remained worse during peak periods and on evenings and Sundays.

Within the overall pattern of change described above there are a number of situations where the change in standards of service was particularly marked. On the plus side passengers benefited from the additional limited stop services and the enhanced daytime frequencies on major corridors in Bradford and Huddersfield. At the other end of the frequency spectrum there were improvements in certain small town and rural services which were wholly tendered, particularly those where the opportunity had been taken to introduce minibuses.
As a result of changes introduced within both commercial and tendered services the post-deregulation network contained several new inter-urban links and offered better access to many hospitals and superstores in non-central locations. In the year following deregulation as more minibuses were introduced in the main towns, there was an improvement in walk access distances and/or service frequencies along the routes concerned.

On the debit side there were of course many instances where standards of service were poorer than before as a result of the network changes although—almost by definition—they each affected few people or represented only a small loss. They included isolated sections of route no longer served or direct links lost to destinations which had previously been served mainly because of tradition or operating convenience. Where services in the middle range of frequencies (2–3 per hour) had been reduced or omitted in the commercial registrations they were not always fully restored by tendering either because this was considered impracticable or because it was not merited given the changes in patterns of demand.

In Leeds, in addition to the transitional problems experienced with the new pattern of services, average loadings in the peak periods were higher due to reductions in Yorkshire Rider mileage, with (by implication) a greater incidence of standing and additional waiting time. The introduction of minibuses on high volume, traffic congested routes resulted in the bunching of vehicles and unpleasant overcrowding of passengers. More generally, the use of minibuses—although welcomed in many respects—was criticised because of losses in passenger space and comfort and difficulties experienced by people with small children or luggage.

Finally, in considering disbenefits experienced by passengers it is important to acknowledge the large number of very small-scale changes which occurred and the fact that people generally take a negative view of change in itself, irrespective of its outcome. Thus although overall standards of service remained the same in many cases, there were nevertheless many detailed changes which could have resulted in reduced convenience or sense of reliability for individual users, eg the retiming of particular journeys, minor route alterations, different stopping places, different destination and/or route numbers displayed, different coloured buses, vehicle type or operator name. Virtually nowhere was the service operated after 26 October exactly the same as before. The significance of these ‘minor’ changes to passengers may be a factor in explaining their overall attitudes to deregulation, discussed below.

5.4 COMPLAINTS AND CONSULTATION

At the time of deregulation a large number of complaints were made to the PTE. Many of these were and continue to be made in the mistaken belief that the Executive is still responsible for bus operation. Specific complaints eg about driver behaviour are forwarded to the relevant operator but more general concerns about levels of service are logged and requests made to operators to consider service additions or amendments where appropriate. The volume of complaints received by the PTE has since fallen to around its traditional level.

In May 1987 the PTA established a set of Passenger Consultative Committees (one in each metropolitan district) with members recruited by advertisement from the travelling public. These provide a forum for channelling and assessing local opinion and a means
whereby the Authority can gain advance reaction to proposals under its consideration, eg on tendered services.

5.5 PASSENGER ATTITUDES

In order to assess passengers' reactions to the changes in bus services, a specially commissioned survey was carried out for TRRL by the MVA Consultancy. The survey took place in February and March 1987 (a few months after the start of deregulation), and covered West Yorkshire and five other PTE areas. Findings from this survey are reported in Simpson and Walmsley (1987) and in Simpson (1988). The survey, which used the postal questionnaire reproduced in Appendix B, was aimed at obtaining the attitudes of bus users, and of the most frequent user in any household. Some of the responses obtained can be compared with information from the Executive's own Household Panel Survey undertaken just before deregulation. (West Yorkshire PTE, 1987).

The results of the survey are presented here as proportions of all bus users (after eliminating those who used the bus less than once in the previous 4 weeks), in the form of pie charts or horizontal bar charts of percentage responses to the questions, showing positive, neutral and negative responses. This has the advantage that it shows clearly the balance of the opinions by the relative sizes of the positive and negative sectors and the importance of the topic by their combined size. In the case of certain questions on the form where respondents were asked about changes since deregulation, only those respondents who had noticed changes in the bus services or had been affected by them were asked to answer. The sector marked 'Neutral' therefore comprises those who answered 'Same' or 'Neither good nor bad', those who responded 'No Opinion', and those who did not answer the question because they had not noticed or been affected by changes.

There is, of course, a danger in a postal survey of this type that people with an unfavourable opinion will be more inclined to return their questionnaires than those who are more satisfied with the changes. A follow-up household survey designed to measure any bias of this kind was carried out in two of the PTEs (one of which was West Yorkshire), and concluded that although there was some indication of bias the effect was not large and would not invalidate the conclusions presented here.

The respondents' overall view of the bus service is shown in Figure 19. On a five point scale about a third (35 per cent) of the bus users fell in the middle 'neutral' category but with the remainder divided 2:1 in the 'good' or 'very good' categories as opposed to the 'bad' or 'very bad' (42 per cent as against 22 per cent). On balance, then, passengers had a high opinion of their bus services. This nevertheless contrasts unfavourably with results of the WYPTE Panel Survey (WYPTE 1987), conducted just prior to deregulation, which showed over 50 per cent of bus users in the 'good'/'very good' categories on almost all the service features questioned.

The adverse view of deregulation that this suggests is confirmed by responses to a specific question in the TRRL survey. Asked for their view of changes to the bus service, respondents were divided as follows:

- **West Yorkshire**
  - Very bad: 5%
  - Very good: 8%
  - Bad: 17%
  - Neutral: 35%
  - Good: 34%

- **All PTE areas**
  - Very bad: 6%
  - Very good: 9%
  - Bad: 17%
  - Neutral: 33%
  - Good: 35%

**Question:** What do you think about the bus service on the whole?

**Fig. 19 West Yorkshire: overall view of bus services (Bus passengers)**
Source: TRRL Passenger Attitude Survey
the services, 42 per cent were neutral (ie were unaware of any change or considered services to be about the same) but the remainder were divided 3:1 in the ‘worse’ or ‘much worse’ categories as opposed to the ‘better’ or ‘much better’ (see Figure 20). More than 40 per cent of all bus users in fact considered services had deteriorated. This extent of adverse opinion is of course in marked contrast to the comparative stability of the network and the limited reductions in frequency described earlier (though it is worth noting that opinions in West Yorkshire were generally less unfavourable than in other PTEs where service changes were greater).

Considering individual aspects of service, the most noticeable feature of the responses was that on every aspect more than a half of all bus users were neutral, ie either they did not consider there had been any change, or else considered this change to be on balance neither better or worse (see Figure 21). There was however a marked difference between service-related aspects (frequency, destination choice and reliability) where the neutral proportion was in the region of 60 per cent, compared with fares and ticketing where the neutral proportion was a very high 90 per cent, reflecting the stable position over fares in West Yorkshire.

---

**West Yorkshire**

Worse 33%

Better 10%

Neutral 42%

**All PTE areas**

Worse 34%

Better 11%

Neutral 38%

**Question:** What do you think of the changes since last Autumn?

**Fig. 20 West Yorkshire: view of the changes to services (Bus passengers)**

Source: TRRL Passenger Attitude Survey

**Fig. 21 West Yorkshire: opinions of service aspects (Bus passengers)**

Source: TRRL Passenger Attitude Survey

---

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Much better</th>
<th>Better</th>
<th>Neutral</th>
<th>Worse</th>
<th>Much worse</th>
</tr>
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<tr>
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<tr>
<td>100</td>
<td></td>
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</tr>
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</table>

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Frequent weekdays
Frequent evenings
Frequent Saturdays
Frequent Sundays
Destination choice
Use discount tickets
Adult fare
Reliability
Board 1st bus
Available information timetables
Available information tickets

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...
Amongst those who thought that individual aspects of service had changed, the balance of opinion varied considerably on either side of the overall ratio of 2–3 times as many ‘worse’ opinions as ‘better’. Timetable and ticket information had only a slightly negative balance of opinion whilst destination choice and discount tickets actually showed a favourable net balance. Frequency of service showed an unfavourable balance of opinion in all time periods but the balance was markedly worse for evening and Sunday frequencies compared with weekdays and Saturdays.

After reliability, evening and Sunday frequencies in fact showed higher proportions of unfavourable responses than any other aspect. At first sight this response is somewhat surprising since most evening and Sunday services were subsidised and had been replaced to pre-deregulation service standards as far as possible. The apparent anomaly may be due to the fact that bus users are known to have had a particularly low opinion of evening and Sunday frequencies even before deregulation. (In the 1986 Panel Survey these aspects received a favourable rating from only 32 per cent of users). In surveys such as this it may be difficult for respondents to prevent their poor opinion of an aspect of service built up over several years from influencing their opinion of change in that aspect over the short term.

5.6 PATRONAGE

The TRRL survey, which was conducted some four months after deregulation, also included a question about the extent of bus use amongst passengers as a result of the changes. As shown in Figure 22 almost three quarters of passengers said they used buses the same amount as before. However 21 per cent said they used buses less compared with only 6 per cent who used them more. This ratio of around 3 times as many people travelling less rather than more is common to all PTEs.

Formal statistics on overall patronage are not available for the period immediately surrounding deregulation because staffing changes consequent upon deregulation disrupted the PTE’s programme of passenger surveys. The best estimate that can be produced is of equivalent annual figures grossed up from surveys undertaken well before and after deregulation.

Intensive passenger surveys were conducted in West Yorkshire in October and December 1985 immediately after the introduction of free off-peak travel for the elderly and disabled. When grossed up these indicate annual passenger journeys of about 317 m. However subsequent surveys suggest that the initial amount of travel generated by the improved concession was not sustained so that the 317 m figure may somewhat overestimate actual patronage in the year before deregulation.

As far as patronage after deregulation is concerned, during the period April—September 1987 it was running at an annual rate of 301.7 m, ie 4.8 per cent less than the pre-deregulation estimate. In fact because of uncertainty and operating problems
immediately following deregulation itself the figure for the whole year from October 1986 is likely to have been significantly less, and the relative fall from previous patronage levels correspondingly worse.

Examining the survey returns for individual quarters (Figure 23) however shows that the annualised patronage rose steadily during the year following deregulation. This would be expected after an initial 'settling down' period, given the continued freeze in cash fares and the successive additions in total mileage operated. In the final three months of 1987 patronage was estimated to be running at an annual rate of 317 m. By this time therefore patronage had reached exactly the same level as two years earlier (although this was now being achieved with 7 per cent extra mileage).

6 THE 1985 ACT FROM THE GOVERNMENT'S POINT OF VIEW

6.1 OBJECTIVES OF THE 1985 TRANSPORT ACT

This chapter reviews the Government's objectives behind the 1985 Transport Act and investigates the extent to which they were achieved in West Yorkshire in the year following deregulation.

The objectives of the 1985 Transport Act were put forward in the White Paper 'Buses' (DTp et al, 1984), in which the Government reviewed long-term trends in the bus industry. It noted that patronage had fallen substantially both in absolute terms and relative to the total travel market. In the decade to 1982, fares had increased on average by 30 per cent in real terms yet at the same time revenue support had risen nationally from £10 m to over £500 m. Eighty per cent of this subsidy to bus services went to London and the Metropolitan Counties.

The Government considered that subsidies in the metropolitan areas had been used to maintain artificially low fares or levels of service out of step with current demands. Action had to be taken to bring the level of subsidy into line with the Government's overall public expenditure plans.

The Government believed that part of the reason for the decline in bus services was the route licensing system, which made it difficult for a new operator to enter the market in the face of opposition from established operators. The intention behind the abolition of Road Service Licences was to encourage operators (especially small private operators who, it was believed, could operate more cheaply) to be more responsive to passenger demand, thus introducing the spur of competition and forcing the established operators (who were generally large with substantial overheads) to improve their efficiency.

Greater efficiency was also the aim of the provisions for privatising the NBC companies and reorganising the former PTE operations along commercial lines, exposing these publicly-owned undertakings to the constraints and opportunities of the commercial market.

The Government also believed that the practice of paying network revenue support resulted in the operator having little incentive to improve performance on a given service. For its part, the local authority had little choice of operator and could not fully judge whether the services it bought were
run efficiently. The tendering process would ensure value for money, and would enable local authorities to see clearly the costs involved in supporting individual services.

The success of the Government's deregulation proposals rested on four main propositions:

(i) Competition would be created by new operators entering the market and by existing operators competing with one another. Even where direct competition did not materialise, the threat of competition would promote efficiency.

(ii) On many routes fares would be reduced and new and better services provided.

(iii) As operators responded more keenly to passengers' demands the number of people travelling would go up.

(iv) The cost of subsidising bus services would fall because routes which were not profitable for a large operator could be run commercially by a smaller one, and because competition for tenders would ensure cost reductions on subsidised services. As a result, the ratepayer and taxpayer would achieve better value for money—even, better services for less money.

At the same time, it was expected that the main network of services would be maintained, because operators would assess passenger demands and provide services where the market warranted them, and the local authority would maintain non-commercial but socially-necessary services through the tendering process.

The extent to which these expectations have been realised—on the basis of experience to date in West Yorkshire—is discussed in the following paragraphs.

6.2 MAIN NETWORK OF SERVICES

The conservative approach to commercial registrations adopted by most operators meant that as far as daytime services in the urban areas were concerned most sections of route continued to be served and traditional links provided between places were maintained. In Leeds and Bradford the way in which services were linked across the city centre was changed in several cases but it is probable that the former pattern owed more to historical operating factors than to current passenger requirements. The reductions in bus mileage introduced by Yorkshire Rider in Leeds were noticeably concentrated on frequency reductions, particularly during the peak period, rather than on withdrawals from sections of the network.

As discussed in section 4, given the pattern of commercial registrations and the PTA's policy of restoring former standards of service it was likely that retention of the full network in the various time periods would be achieved. However this was not a foregone conclusion and depended on the financial resources available to the PTE. In planning for 1987/88—the first full year of deregulation—the PTE was only able to implement the policy of maintaining the network by drawing on unexpected favourable balances from the previous year totalling £6.2 m (equivalent to one third of the tendered services budget). Given the present limitations placed upon the PTA the availability of sufficient funds to maintain the network is an issue of continuing uncertainty.

6.3 COMPETITION

During the first year of deregulation direct competition occurred only to a very limited extent. As far as commercial services are concerned, new operators entered the market on only a small scale and the established operators chose not to compete with each other. The new entries consisted of six operators on nine routes at the time of deregulation plus a further three operators and six routes in the following year. These are listed earlier in Table 2. The annual mileage involved is only 1.7 m or 3 per cent of the total mileage as at 1 November 1987.

The existence of this competition was more conspicuous where major retaliatory action was taken by the incumbent operator. Yorkshire Rider adopted this approach in the Morley-Leeds corridor, Hudderfield and Halifax, although as yet this has not caused any new entrant to withdraw.

As far as commercial services are concerned competition would seem to have been more significant in its 'implied' or 'threatened' form. This appears to be the reason for two of the most pronounced changes that occurred—Yorkshire Rider's retrenchment in the initial registrations (in the face of possible inroads from the NBC subsidiaries) and its subsequent rapid programme of minibus deployment (in the face of the threatened 'invasion' from UTB).

As discussed in section 4 the competition for tendered services was also very limited, with two-thirds of contracts being awarded to a sole bidder. Only 13 out of over 500 tenders for operation as from October 1986 were won by new operators with a further four in the following year. At October 1987 nine 'new' small operators were running tendered services.

Overall the bus market in West Yorkshire is still dominated by the four major operators with 95 per cent of total miles as at 1 November 1987. The 'new' element amongst the other operators is however growing, as illustrated by the change in vehicle-mileage for private operators shown earlier in Figure 12. Within the tendered sector particularly the independent operators are perhaps beginning to exert an influence greater than size would suggest, with
some evidence that here, also, competition in the 'threatened' form is more important. The major batch of tender renewals issued at November 1987 showed increased competition and further new entrants with some downward movement in average prices, although factors other than competition alone were involved.

6.4 FARES AND SERVICES

In the 'Buses' White Paper considerable importance was attached to the role of deregulation in removing the element of cross-subsidy inherent in the previous networks. Operators would be free to lower fares or enhance services where they felt the market along particular routes warranted it. But in practice there was very little evidence of operators varying their previous fares and services according to the perceived opportunities (or limitations) of particular local markets.

As far as fares are concerned there was virtually no change of any kind. Fares were not reduced on particularly profitable routes, even on those where competition occurred. It may be that with the relatively low fares already in existence operators did not see any commercial case for lowering fares. Alternatively, it may be that they regarded the disbenefits of departing from a common fare-scale and the danger of setting off a 'fares war' as being overriding.

As far as services are concerned the fact that the County Council has supported the maintenance of service levels over a number of years (even during periods when patronage was falling) meant that there was clearly less potential for service enhancement on a commercial basis than might otherwise have been the case. On the whole the level of services which existed before deregulation was maintained, the provision of tendered services ensuring that there were no major deficiencies, but equally, except for the use of minibuses (discussed below) there were no major innovations.

New entrants in particular largely duplicated the types of service and route already on offer. The few instances of direct competition resulted in more vehicle journeys, but this would not necessarily be perceived by the passenger as a better service. Even with the dramatic increase in journeys along the Morley—Leeds corridor users did not report a significant improvement in frequency (see Preston 1987).

Nevertheless two main types of improvement did take place at deregulation, quite independently of any competition or new entrants. These were the increase in daytime frequencies on certain major corridors in Bradford and Huddersfield and the development of the inter-urban limited-stop network. A further set of improvements also came about through the introduction of minibus services.

However, several important provisos need to be made about this:

(i) The use and advantages of minibuses had already been demonstrated prior to deregulation in other parts of the country, perhaps in response to the perceived likelihood of competition. At the time of deregulation this element of change within the industry was already well under way. The role of deregulation seems, by creating the potential for competition, to have been to bring forward the introduction and to accelerate the rate of change to minibuses in West Yorkshire.

(ii) Minibuses cannot be regarded as an unqualified 'improvement'. Simply as vehicles they have both benefits and disbenefits for passengers. They are however often associated with a redesign of services which do offer improvements in frequency and penetration.

(iii) The majority of the improvements resulting from Yorkshire Rider's commercial use of minibuses derived from the addition of services on top of the conventional network. This provided the Company with a resource which it would redeploy at short notice in the event of competition on its 'main-line' services (as it did in Morley and Huddersfield). There must however be some doubt whether these additional services will become a permanent feature, or if so, whether they will be accompanied by service economies elsewhere in order for the company to maintain overall profitability. (Yorkshire Rider's major deregistration in August 1987 may reflect this).

Although the Government intended that the removal of cross-subsidy would open up the potential for improvements on profitable routes there was, in theory at least, equivalent potential for a reduction in service or increase in fares on routes with poor commercial performance. This did not occur at all with fares and only in a small number of cases with services. In general where a previous service could not continue to be run commercially operators chose not to register any journeys at all (either during particular time periods or throughout) rather than to alter fares and frequencies to achieve profitability. This action was presumably taken in the expectation that the PTE would be able to fund the replacement of most, if not all, non-registered journeys through tendering.

Overall therefore operators did not respond as expected to the removal of network cross-subsidy. However it is notable that the one area (Leeds City) where the incumbent operator did adopt the approach of designing a commercial network to maximise the overall extent of service provided without subsidy is the one where the greatest difficulties occurred. It seems unlikely that such an approach will be repeated or adopted elsewhere in
West Yorkshire unless greater competition occurs or unless the PTE is unable to fund full ‘replacement’ services. Significantly in August 1987 Yorkshire Rider chose to make straightforward service withdrawals (deregistrations) in Leeds and elsewhere in order to maintain profitability rather than engage in a further redesign of its commercial network.

6.5 PASSENGER RESPONSE

At the heart of deregulation is the belief that comprehensive planning of the kind practised by the PTEs before deregulation is not sufficiently responsive and that bus operators, acting independently and with a commercial remit will produce a set of services more in line with passenger requirements. As a result passengers will get a ‘better deal’; patronage will rise and the viability of the industry improve.

In practice passenger attitudes to deregulation in West Yorkshire, and reports of changes in bus use, tended to be unfavourable (see Section 5). Given that overall change in service levels was limited and fares remained constant, this response is perhaps surprising and, from the Government’s viewpoint, disappointing. The response was also disappointing in view of the PTE’s maintenance of County-wide pre-paid tickets and comprehensive information and promotion, which went beyond the minimum required by the Act and was undertaken with the object of smoothing the transition for the passenger.

One explanation for the unfavourable response to the changes accompanying deregulation is that, as evidence from the PTE’s Panel Survey and the TRRL Attitude Survey shows, people in West Yorkshire were generally satisfied with the bus service provided previously. Stability over a number of years had been a major factor in ‘turning round’ the fortunes of public transport in the County and contributing to the slow rise in patronage. In these circumstances it seems likely that any change or perceived ‘threat’ to the status quo would be viewed negatively.

The overall drop in patronage in the initial months after deregulation may be attributed mainly to the economies embodied in Yorkshire Rider’s commercial network, to the operating problems experienced in Leeds and to the general increase in prepayment prices. Apprehension and uncertainty surrounding ‘deregulation’ itself is also likely to have been a factor.

Since these first few months there has been a clear trend of rising patronage. However this has coincided with a period of steadily increasing mileage. It is therefore not possible to say how far the return to former levels of patronage is due to a ‘settling-down’ after the changeover and how far to the effects of the additional services. Certainly, but for deregulation the present higher volume of mileage would have generated substantially higher patronage than exists now, though without deregulation most of this mileage would probably not have been introduced. It remains to be seen whether patronage eventually rises above pre-deregulation levels. However, with the passage of time and the number of changes taking place both in and outside the public transport industry it becomes increasingly difficult to compare patronage on a like-for-like basis and to estimate the effects of ‘deregulation’ itself.

6.6 PUBLIC EXPENDITURE

The fourth of the major objectives of the 1985 Transport Act was to achieve a reduction in public expenditure by a cheaper and more efficient provision of bus services. The introduction of deregulation coincided, however, with the introduction of precept controls set for the newly-established Joint Board PTAs under the 1984 Rates Act. These Expenditure Limits (ELs) meant that spending on public transport was likely to be determined less by local policy objectives and more by the effects of central Government controls.

It follows that any reductions in public expenditure which may be identified cannot necessarily be attributed to the effects of deregulation. In conditions where the amount of expenditure is externally determined, it is the level of services which can be provided within the available budget which is the dependent variable.

In West Yorkshire’s case the financial constraints had a less severe effect than in some of the other metropolitan areas. For 1986/87 the EL set for the new PTA’s first year was £61.3 m, compared with £72.3 m which the Executive had previously identified in its Transport Plan 1986/87—1988/89 as necessary to maintain service levels and allow for contingencies during the transition to deregulation. However, the PTE was able to go some way towards bridging the gap by drawing on its reserves and setting a budget of £65.3 m, and in the event, because inter alia of a higher-than-expected level of commercial service registration, the whole of the contingency was not required.

A similar situation existed during 1987/88 in which the EL was reduced to £59.3 m (a rates revaluation having increased the figure slightly from the original level of £59.1m) compared with an estimated requirement of £67.7 m, with the PTE’s budget being set at £64.1 m. Although the financial shortfall was not therefore sufficient to require major policy changes it is reasonable to conclude that the ELs set for West Yorkshire did have some restraining influence on actual expenditure in the period when deregulation was introduced.

The broad similarity between fares and service levels before and after deregulation in West Yorkshire means that it is a particularly suitable case for studying expenditure effects. Because of the
complications arising from deregulation taking place in the middle of 1986/87 and from one-off costs of restructuring the PTE during that year the analysis presented here compares expenditure in the full years either side (ie 1987/88 as against 1985/86).

In 1985/86 the net support figure for public transport in West Yorkshire was £51.6 m, comprising the bus revenue support payments, Section 20 rail support payments, and the concessionary fares payment. To make the required comparison this figure has to be adjusted for inflation and for the full-year effect of the reductions in prepayment prices and the free off-peak concession for elderly and disabled passengers introduced during 1985/86. These amount to £3.8 m and £2.3 m respectively, producing a `1987/88 equivalent' total for the expenditure in 1985/86 of £57.7 m.

The forecast out-turn expenditure for the PTE in 1987/88, as calculated in January 1988, is 60.0 m, but in order to obtain a figure which is comparable with 1985/86, the following deductions must be made:

- £2.2 m for repayment of a special loan for transitional costs
- £0.3 m for `Project Access'—the provision of special facilities for the disabled—initiated since 1985/86.

The amended total is therefore £57.5 m, fractionally below the 1985/86 equivalent.

Table 4 presents a breakdown of these totals, and enables a detailed comparison of particular items to be made. However, in examining the items the following points must be borne in mind:

### 6.6.1 Bus revenue support and tendered bus services

These two items, though superficially similar, are in fact quite different. 'Revenue support' broadly represents the net deficit on all public transport activities before deregulation, (excluding local rail services and concessionary fares). These activities included items such as the PTE's capital programme, its off-bus passenger facilities and pre-paid ticketing, plus its administrative costs. The amount for `Tendered services', on the other hand, represents only the contract payments made by the PTE to operators for subsidised bus services. The planning and administration of these services plus the cost of all other PTE-supported activities remain to be accounted for and in the post-deregulation year 1987/88 are shown separately.

### 6.6.2 Concessionary fares

The increase from the adjusted total of £14.7 m to £18.8 m is largely accounted for by the widening of the scope of the scheme, in particular the reimbursement of children's half-fares which previously contributed to the overall operating deficit.

### 6.6.3 Section 20 (rail support)

Adjusted for inflation this is expected to be virtually static between the two years. Rail support expenditure is not, of course, influenced by bus deregulation (except insofar as rail patronage is affected), but the figure is included since it is a constituent of total PTE expenditure.

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<th>Table 4</th>
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<tr>
<td>Bus Revenue Support</td>
<td>1985/6 Actual</td>
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<td>Tendered Bus Service</td>
<td>31.7</td>
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<td>Concessionary Fares</td>
<td>12.4</td>
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<td>Adjustment for Enhanced Concessions</td>
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<td>S.20 Rail Support</td>
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<td>PTE COSTS:</td>
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<td>Pensions</td>
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<td>Passenger facilities</td>
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<td>Information/promotion</td>
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<td>Administration</td>
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<td>Total PTE Costs</td>
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<td>Inflation 1985/86 to 1987/88</td>
<td>3.8</td>
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<td>TOTAL</td>
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6.6.4 PTE costs
These are detailed in Table 4, and comprise a number of items which were formerly include in Bus Revenue Support.

'Pensions' is the cost arising from commitments to former employees (including £0.3 m of transitional cost in respect of payments to those former employees who were made redundant during 1986/7).

'Financing charges' cover depreciation and the revenue effect of the Executive's capital programme, including replacement rail rolling stock.

'Passenger facilities' is the cost of operating and maintaining the Executive's 18 bus stations (net of departure charges) bus stops and shelters.

'Information/promotion' comprises the cost of timetables and publicity and the direct costs of running the pre-paid ticketing schemes.

'Administration' is the PTE's central office and staff costs, including the planning, letting and monitoring of contracts for tendered services and administering the concessionary fare and pre-paid ticket schemes.

Table 4 attempts to present the on-going, steady-state expenditure on public transport in the deregulated era, ie it does not include transition costs. As noted earlier, these amounted to £2.2 m in 1987/8, being a part-payment of a 3-year, £5 m loan taken out to cover the cost of setting up Yorkshire Rider. In 1986/7, the year of deregulation itself, substantial transition costs in the region of £10 m were incurred to cover redundancy payments and the like.

Although the accounting of PTE expenditure has necessarily changed (and at a broader level the flows of money between the Executive, operators, employees and passengers as well) it is therefore apparent that in the case of West Yorkshire deregulation has not brought about any material overall reduction in public expenditure.

6.7 SUMMARY OF THE OBJECTIVES OF THE ACT
The extent to which the objectives of the 1985 Transport Act were achieved in West Yorkshire can be summarised as follows:

(i) The main network of services was maintained.

(ii) Direct competition occurred only to a limited extent, but the threat of competition affected the actions of the established companies (particularly Yorkshire Rider's initial registrations and introduction of minibuses).

(iii) Fares were virtually unchanged.

(iv) There was little scope for improved services; new entrants largely duplicated existing services.

(v) Frequencies on some major corridors and inter-urban routes were increased.

(vi) Many services were converted to minibuses, and new higher frequency minibus services were introduced in Leeds.

(vii) Patronage fell initially, but a year after deregulation (with 7 per cent extra bus mileage) patronage had recovered its pre-deregulation level.

(viii) There was no material reduction in public expenditure on transport.

7 SUMMARY OF MAIN FINDINGS
This report describes the changes in the provision of local bus services which took place in West Yorkshire when the 1985 Transport Act was implemented in October 1986 and during the first year thereafter. The report is the result of a joint monitoring exercise carried out by the Transport and Road Research Laboratory and the West Yorkshire Passenger Transport Executive.

7.1 COMMERCIAL REGISTRATIONS
Of the services originally registered for commercial operation following deregulation on 26 October 1986, the majority—95 per cent—were made either by Yorkshire Rider (the former PTE operator) or by one of the three National Bus Company subsidiaries: West Riding, West Yorkshire Road Car and Yorkshire Traction.

Nineteen 'new' operators—ie operators who did not previously operate stage-carriage services—registered services, but most of these were for incidental services such as schools and works. As far as regular local services were concerned, there were 6 'new' operators with 9 services.

The overall mileage registered for commercial operation as at 26 October 1986 was 44.1 m vehicle-miles, or 70 per cent of the mileage operated before deregulation (62.6 m). Some former services were not registered for their full period of operation— evening and Sunday services being reduced most—and some minor services were not registered at all.

The pattern of registrations varied from one area to another, according to the incumbent operator's perception of the likely competition. In Leeds, Yorkshire Rider designed services covering all routes and time periods at a commercially-viable level of service (about 75 per cent of former vehicle-mileage),
possibly in expectation of competition from the NBC companies and from minibuses. In Bradford and Huddersfield, Yorkshire Rider registered virtually all its former daytime mileage but cut services at evenings and weekends. In Calderdale, where there was no threat of competition, about 80 per cent of former daytime mileage was registered.

The NBC companies, who operate more mileage in the smaller towns and rural districts, followed a similar pattern to that in Calderdale. In addition, West Riding, who operate in the Wakefield area, introduced a system of two-shift working which resulted in no services being registered for operation after about 8 pm or on Sunday mornings.

Independent operators registered 1.9 m vehicle-miles for commercial operation. The share of the total vehicle-mileage operated commercially by independent operators doubled, from 2 to 4 per cent.

### 7.2 COMPETITION

There was no competition between the major operators in the initial registrations. There were a few isolated instances of competition between a major established operator and an independent newcomer. In the case of the Morley-Leeds corridor, and to a lesser extent in Halifax, the established operator (Yorkshire Rider) responded by increasing its frequencies.

#### 7.3 TENDERED SERVICES

The policy of the Passenger Transport Authority (PTA) was to retain and promote public transport within its budget constraints, so in identifying socially necessary services for subsidy the PTE set out to maintain the standards of service which had existed previously.

In most cases this aim was achieved, and the services which had not been registered commercially were restored by tender, though they were not always restored in exactly the same form as before, as the opportunity was taken to introduce small adjustments in order to reflect passenger demand.

In some cases it proved difficult to restore previous standards, particularly where there was a conflict with an existing commercial service. In other cases it was only practicable to replace a service at a higher standard than previously. It proved particularly difficult to design suitable replacement services in Leeds because the commercial network left few gaps, and some negotiation and redesign was necessary.

#### 7.4 OVERALL SERVICE STANDARDS

The overall mileage operated as from 26 October 1986 (commercial and tendered) was 59.9 m, a drop of 4 per cent on the previous mileage. Yorkshire Rider's mileage fell by 10 per cent, the NBC companies' by 5 per cent, and that of the private operators rose by 91 per cent, though their share of the market after deregulation only amounted to 4 per cent.

#### 7.5 MINIBUSES

A number of services in the smaller towns and villages, mostly served by the NBC companies, were converted to minibus operation, and Yorkshire Rider introduced minibus services on town routes in Leeds.

In Wakefield, West Riding converted some of their town services to minibus operation with increased frequencies. In this way, new cross-town links were provided, and in some areas the use of minibuses enabled services to penetrate further into estates and to provide links to a suburban supermarket.

Yorkshire Rider's use of minibuses followed a different pattern. The company had acquired a fleet of smaller vehicles in anticipation of competition from a major new company and initially registered higher frequency services on two main radial routes in Leeds. When the threatened competition did not materialise, Yorkshire Rider introduced minibuses on a further 16 services over a period, these being mostly additions to the existing network rather than replacements for conventional buses.

#### 7.6 FARES AND TICKETING

Apart from a small increase in the maximum off-peak fare by West Yorkshire, there were no changes in fares on any services in the area, either at the time of deregulation or in the following 12 months.

All operators continued to accept the main established types of prepaid tickets which accounted for 1 in 6 passenger journeys. Prices were increased by between 10 and 20 per cent at deregulation, restoring the prices to the level of a year previously.

#### 7.7 CONCESSIONARY TRAVEL

At deregulation all operators agreed to maintain the prevailing concessionary travel scheme which offered half-fare travel to children, and for elderly and disabled people offered half-fare peak travel and free off-peak travel. The concession scheme was extended to cover new categories of handicapped people and authorised companions.

#### 7.8 PROMOTION

The PTE used press, radio and TV advertisements before deregulation to make passengers aware of the forthcoming changes, and introduced a telephone enquiry point "Busline" to provide information about individual services. The PTE also posted network guides to all households in the county and published summary leaflets and detailed timetable books.
7.9 THE CHANGEOVER
In the first few days of deregulation there was some confusion among passengers about the routes and timetables of the new services. In part this was a result of a delay in the mailing of network guides to some areas, coupled with the fact that—especially in Leeds—the tendered services had only recently been finalised and there was insufficient time to publicise them.

In addition, the scale of service changes by Yorkshire Rider in Leeds, compounded with some over-tight scheduling, a reduction in peak vehicles, and drivers’ unfamiliarity with the new services, caused passengers major problems. Most of these problems turned out to be teething troubles and died away as passengers grew familiar with the new services and adjustments were made to the timetables. In the remainder of the county, apart from Leeds, the scale of problems was much less.

7.10 CHANGES DURING THE FIRST YEAR
A large number of minor changes took place in January 1987 in order to improve running times and reliability. Gradually, over the year, there were small increases in service and a number of minibus services were introduced, so that after 6 months the mileage had risen to 64.8 m (an increase of 3 per cent over pre-deregulation) and after 12 months to 66.9 m (an increase of 7 per cent over pre-deregulation and 12 per cent over the immediate post-deregulation mileage).

Independent operators increased their share of the market to 5 per cent, and by November 1987 there were 9 independent operators working 15 regular local services.

7.11 THE PASSENGERS’ VIEWPOINT
Passengers in West Yorkshire have benefitted from new limited-stop services, enhanced daytime frequencies and improvements in small-town and rural services. On the debit side there are inevitably many instances where the service no longer matches individual passengers’ needs. On the whole, though, the small scale of change and the PTA’s policy of maintaining service standards ensured that most passengers would be largely unaffected by deregulation.

A survey of passengers’ attitudes to bus services revealed that, on the whole, passengers thought that they were good. However, when asked about the changes arising from deregulation, three times as many people said that the services were worse since deregulation as said they were better. The main aspects which passengers mentioned as having become worse were frequency and reliability, while the choice of destinations and availability of discount tickets were thought to have improved.

7.12 PATRONAGE
During the period April—September 1987 patronage was running at an annual rate of 301.7 m, or 4.8 per cent less than the pre-deregulation estimate of 317.0 m. Survey returns for individual quarters however show that the annualised patronage rose steadily in the year following deregulation, as would be expected after an initial ‘settling down’ period, with stable fares and additional bus mileage being introduced. In the final three months of 1987 patronage was estimated to be running at an annual rate of 317 m, the same level as two years earlier (although this was now being achieved with 7 per cent extra mileage), and the indications were that this rising trend would continue.

7.13 PUBLIC EXPENDITURE
The forecast outturn expenditure on public transport in the year 1987/88 (the first full year following deregulation), after deduction of certain items not connected with deregulation, was £57.5 m. The comparable figure for 1985/6 (the last full year prior to deregulation) was £57.7 m. As compared to bus revenue support before deregulation of £31.7 m, expenditure on tendered services was £17.5 m, but to this should be added £13.6 m PTE costs and an extra £4.0 m for children’s concessionary fares, items which were formerly included in revenue support, making a total of £35.1 m.

The extent to which the objectives of the 1985 Transport Act were achieved in West Yorkshire can be summarised as follows:

i The main network of services was maintained.
ii Direct competition occurred only to a limited extent, but the threat of competition affected the actions of the established companies (particularly Yorkshire Rider’s initial registrations and introduction of minibuses).
iii Fares were virtually unchanged.
iv There was little scope for improved services; new entrants largely duplicated existing services.
v Frequencies on some major corridors and inter-urban routes were increased.
vi Many services were converted to minibuses, and new higher frequency minibus services were introduced in Leeds.
vii Patronage fell initially, but a year after deregulation (with 7 per cent extra bus mileage) patronage had recovered its pre-deregulation level.
viii There was no material reduction in public expenditure on transport.
8 ACKNOWLEDGEMENTS

The authors wish to acknowledge the assistance of the many people in the Transport and Road Research Laboratory and the West Yorkshire Passenger Transport Executive who have contributed to this report.

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9 REFERENCES


WEST YORKSHIRE PASSENGER TRANSPORT AUTHORITY AND EXECUTIVE (1986). West Yorkshire concessionary fare scheme.


APPENDIX A

COMPETITION IN THE LEEDS—MORLEY CORRIDOR

The case of the Leeds to Morley corridor is one of only three or four cases of significant competition to occur in West Yorkshire since deregulation, and the only one where the new services registered by an incoming operator represented a serious threat to the incumbent operator.

In brief, Yorkshire Rider began by registering a service at a reduced frequency in the corridor. Then in January 1987, in the face of competition from newcomers Black Prince and Muffitt and Taylor, it
Fig. A.1 Morley corridor services prior to 26 Oct 1986

Fig. A.2 Morley corridor services as at 26 Oct 1986

Fig. A.3 Morley corridor services as at 6 Jun 1987
restored in limited stop form the service which had been dropped. In May Yorkshire Rider responded to the continuing presence of independents by superimposing on its conventional service a five-minute minibus service.

Figure A.1 shows the Morley corridor and the bus service as it was prior to deregulation. There was one main service (route 52/53/54) operated by West Yorkshire PTE at a frequency of 6 per hour off-peak, 12 per hour in the weekday peak and 3 per hour evenings and Sundays. The service operated out of Leeds along Elland Road.

In its commercial registration, Yorkshire Rider reduced the frequency by removing the service 54, leaving the 52/53 operating at 4 per hour off-peak, 8 per hour peak, and 2 per hour evening and Sundays. The evening and Sunday services have not been subject to competition, and their frequency subsequently remained unchanged.

Black Prince registered a new service X54 to operate from 26 October 1986. It used the M621 motorway for the last part of the journey into Leeds, but otherwise followed much the same route as the Yorkshire Rider services, and operated twice an hour Mondays to Saturdays.

Muffit and Taylor (M + T) registered an hourly service between Leeds and Morley, but following a different route for part of the journey, entering Leeds via Dewsbury Road. Nevertheless, the service provided a link between Morley and Leeds and was seen by Yorkshire Rider as competition.

The corridor was also served by a new West Riding service X21, operating once an hour limited-stop between Leeds and Huddersfield. Whether this service should be regarded as competition or just as another service which happens to use the same corridor is open to question.

The services operating at deregulation are shown in Figure A.2.

In January 1987, after the initial freeze period, Black Prince doubled its frequency in the corridor by introducing a service 54 operating twice an hour on a slightly different route. At about the same time Yorkshire Rider introduced a half-hourly limited-stop X51 service, operating (like Black Prince) along the motorway. In this way, its pre-deregulation frequency was restored.

Yorkshire Rider made its greatest response to the threat of competition in May, when it introduced a high-frequency minibus service 52A between Leeds and Morley along the Black Prince route. This service, which operated 12 times per hour, was in addition to Yorkshire Rider's conventional services, and brought the total frequency in the corridor to 22 per hour off peak, 24 per hour on Saturday, and 28 per hour in the weekday peaks.

Muffit and Taylor, meanwhile, had re-routed their service 49. From 27 April, it followed a circular route, outward from Leeds along M621 and Elland Road (the Black Prince and YR minibus route), returning along Wide Lane and Dewsbury Road.

West Riding’s X21 service was also re-routed in June, following the Wide Lane—Dewsbury Road route into Leeds. This may have been for operational reasons rather than a response to competition, though the effect was to initiate competition (with M + T) along the Dewsbury Road route.

In August, as part of a major package of deregistrations, Yorkshire Rider withdrew its X51 service (the service originally intended to restore the pre-deregulation frequency) and made other minor route changes. As a result, the service frequency was trimmed slightly to 19 per hour off peak, 21 per hour Saturday, and 25 per hour peak.

Also as part of its package, Yorkshire Rider deregistered the evening and Sunday services on the 52/53 service. Since 9 August, these services continue as subsidised services operated by the same company.

The services as they were at the first anniversary of deregulation are shown in Figure A.3. No other major changes were made, and the greatly increased frequencies remained. Competition did not decrease, but neither did it result in the withdrawal of any of the operators, the lowering of fares, or (according to Preston 1987) any perception among passengers of an increase in service.
APPENDIX B

PASSENGER ATTITUDE SURVEY

TRAVEL SURVEY

HOW TO COMPLETE THIS QUESTIONNAIRE

1. Please answer the questions by putting a ✓ in the appropriate box or by writing your answer in the space provided.

2. Your answers will be kept in total confidence and will only be used in statistical analysis.

3. When you have completed the questionnaire please fold as instructed and return it to us.

1. How often have you used the local buses, if at all, during the last four weeks? (Please tick a box)
   - Not used a bus at all
   - Less than once a week
   - Once or twice a week
   - Three or four times a week
   - Five or more times a week

   If you have used the buses only a little we would still value your opinions. Please answer the following questions from what you know about the services.

2. What do you think about the bus service on the whole? (Please tick a box)
   - Very good
   - Good
   - Neither good nor bad
   - Bad
   - Very bad

3a. As you may know, many of the services in this area changed recently (since the Autumn). Have you noticed any changes? (Please tick a box)
   - Yes
   - No

   Please go to question 3b
   Please go to question 7

3b. If so, what have you noticed? (Please write in)

3c. Have these changes affected you? (Please tick a box)
   - Yes
   - No

   Please go to question 3d
   Please go to question 4

3d. If so, how have they affected you? (Please write in)

3e. As a result of these changes, do you use the buses:
   (Please tick a box)
   - More often?
   - About the same?
   - Less often?
4. What do you think of the changes since last Autumn? Are the new services:
(Please tick a box)
- Much better?
- Better?
- About the same?
- Worse?
- Much worse?

5. Now we would like to know how you think some particular aspects of the bus services have changed, rather than reports you may have had from friends or have read in the papers.

Please tick a box for each of the following to indicate what you think of the changes to each aspect of the bus service. (For example, if you think the reliability of the bus service is much better now than it was before the changes, then on the line marked "Reliability of Service" you should tick the box in the column headed "Much Better". If you cannot tell whether things have improved or not then tick "About the Same" but if you do not know how they have changed tick "No Opinion".)

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<tr>
<th>Aspect</th>
<th>Much Better</th>
<th>Better</th>
<th>About the Same</th>
<th>Worse</th>
<th>Much Worse</th>
<th>No Opinion</th>
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<td>Choice of places that you can now get to</td>
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<td>Whether you can use certain discount tickets on certain buses</td>
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<td>Reliability of service</td>
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<td>Convenience for where you want to go</td>
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<td>Helpfulness of drivers</td>
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<td>Chances of getting on the first bus</td>
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6a. Is there anything else about the local bus service which is important to you? What is that?
(Please write in)

6b. Do you think it has become: (Please tick a box)
- Much better?
- Better?
- About the same?
- Worse?
- Much worse?
EVERYBODY ANSWER FROM HERE

7. Do you have any comments about the bus service?
(Please write in)

8. To help us analyse the questionnaire please would you give some details about yourself.

8a. Age Group:

<table>
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<tr>
<th>Under 16</th>
<th>20-29</th>
<th>45-59</th>
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<td>16-19</td>
<td>30-44</td>
<td>60-64</td>
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<td>65 and older</td>
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8b. Sex:

- Male
- Female

8c. Are you?

- Employed full time
- Employed part time
- Retired
- Unemployed
- Schoolchild/student
- Other

8d. What is your position in the household?

- Head of household/main wage earner
- Wife or husband
- Son or daughter
- Other relative
- Other (Please write in)

8e. What is the occupation of the head of the household/main wage earner? (Please give as many details as possible, ie. job title, type of company/industry etc). If retired or unemployed please give former occupation details.

8f. If you are not the head of household/main wage earner, what is your occupation? (Please write in)

8g. How many children and adults are there in your household? (Please write in below — include yourself)

- Children (Aged 0 - 17 years)
- Adults (Aged 18 years or over)
  - Male
  - Female

9. How many cars are there available for use by your household? (Please tick a box)

- None
- One
- Two
- Three or more

THANK YOU VERY MUCH FOR YOUR HELP.

NOW PLEASE FOLD THE FORM, AS INDICATED ON THE BACK PAGE, AND POST IT BACK TO US — NO POSTAGE STAMP IS NEEDED.