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PRIME MINISTER

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LOCAL BUS SERVICES - ELECTORAL ASSET OR LIABILITY?

In the campaign for the Ryedale by-election the deregulation of local bus services appeared to be a handicap to the Conservative candidate. Change is unsettling and the opposition were able to exploit uncertainty during the present transitional period.

The brief waiting for John Moore when he arrived at the Department of Transport sketches a picture of satisfactory progress in the implementation of the Government's new policy for local bus and taxi services.

Viewed from Marsham Street the transition process is on course. The prospect of competition and the consequent pressure on costs is inducing innovation and efficiency improvements. The benefits of greater efficiency will reduce the need for subsidy and in some cases lead to fare reductions. Local authority transport planners are acting responsibly in implementing the new arrangements. It looks as if the existing level of services will be broadly maintained. Generally bus passengers should benefit, although there are bound to be some minor local difficulties.

This mildly reassuring picture fails to capture the excitement of what is already happening at the bus stop. Believers in free market competition knew that bus



deregulation would reduce subsidies and bus fares. The fear was that this would be at the expense of the quality of local bus services. Would we see a ramshackle assortment of buses chasing business on the busiest routes? Will we go back to the age of the cowboy bus operator?

The reality is a revolution based on new minibuses.



Threatened by competition and at last prepared to break the big-bus stranglehold of the unions and the associated restrictive practices, the NBC's subsidiaries have pioneered the introduction of intensive minibus services. Spreading from the South, minibuses are sweeping the country. You will soon see them in Central London.

For bus operators the case is compelling. Minibuses are nippy and spend less time at the kerbside loading and unloading. Their average running speed is 20 - 25% better than that for big buses. It takes 2 - 2.5 minibuses to replace a big bus and they arrive three times more frequently. Average unit

costs are as much as four times lower, because minibuses don't require special maintenance depots and anyone with a normal driving licence can drive them. (In Barnstaple recently there were 800 applications for 60 jobs as minibus drivers).

Viewed from the bus stop the attraction is equally compelling. Fares are lower and the frequency of service is up by a factor of three. Passengers are in close contact with the drivers, who are encouraged to be friendly and enterprising in selling the service - for example ad hoc charters in the evenings or at weekends. Because minibuses are small they can reach places that big buses cannot. For example, passengers can be dropped at different locations within a large hospital complex rather than being delivered to the main gate. Why drive into a crowded town centre and spend money parking when the friendly local minibus service passes the end of the road every five minutes and drops you outside Marks and Spencer?

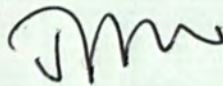
By the end of the year NBC subsidiaries aim to have 3,000 minibuses in service. United Transport Industries, a subsidiary of the powerful BET group, has ambitious plans to introduce minibuses into Manchester. Like others, the bus industry has a herd instinct. The minibus looks unstoppable. Moreover, my guess is that scheduled, shared taxi services will prove equally attractive, particularly for low-volume requirements in the evenings and on Sundays.

Conclusion

Over the last 30 years the use of buses and coaches has halved. Over the last ten years average bus fares have risen 24% more than motoring costs and 35% more than general inflation. The costly big-bus stranglehold of the unions has been killing the bus industry and threatening to deprive many poorer people of an essential transport service.

The mere threat of competition has broken this stranglehold and opened the way for a revolution of local transport services based on the minibus and the scheduled, shared taxi. The prospect is for more jobs and many more satisfied customers.

Forget the unease about local bus services at Ryedale. By the next election the Government will have a good story to tell.



JOHN WYBREW