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Combining Scheduled Commuter Services with Private Hire, Sightseeing and Tour Work: The London Experience

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ABSTRACT

The Transport Act 1980 completely removed quantity control for scheduled express services which carry passengers more than 30 miles measured in a straight line. It also made road service licenses easier to obtain for operators wishing to run services over shorter distances by limiting the scope for objections. As a result of these legislative changes a new type of service has emerged over the last four years carrying long-distance commuters to and from work in London. Vehicles used on such services would only be utilised for short periods every weekday unless other work were also found for them.

I. INTRODUCTION

Table 1 shows the composition of the UK public service vehicle (PSV) fleet in 1982. Whilst the majority of vehicles are under some form of public ownership there is still a high percentage of vehicles (43%) operated by private (independent) operators. The UK bus and coach market had been heavily regulated since the Road Traffic Act 1930 which identified four types of operation:

i) scheduled stage carriage services—local bus services with frequent stops.
ii) scheduled express services—longer distance coach services.
iii) Excursions and tours.
iv) Private hire.

The Road Traffic Act introduced quality controls to ensure the good character and competence of the operator and the driver, and also the safety standards of the vehicle. But, in addition to these quality controls, there were also quantity controls over the first three types of operation. To operate either a scheduled service or a tour and excursion one needed to obtain a Road Service License (RSL) from the Traffic Commissioners. The RSLs were awarded so as to limit entry into the market and prevent what was seen as "wasteful competition". Therefore between 1930 and 1980 the only deregulated part of the market where free competition prevailed was the private hire market. This accounted for the vast majority of independent's output, along with excursion and tour work. Even in 1981 private independent operators ran only 8% of stage carriage mileage but operated 91% of private hire and contract mileage and 86% of all excursions and tours mileage.[1] The 1980 Transport Act removed the quantity controls for two of the types of operation, namely scheduled express services and most excursions and tours. However the quality controls were retained, in the case of vehicle maintenance and inspections being strengthened. The Act redefined "scheduled express" services. Since 1930 they had been defined by the minimum fare charged and because of inflation many short distance services came to be defined as "Express", despite raising the minimum fare yardstick in both 1971 and 1976. The 1980 Act used the more logical yardstick of distance, defining Express services as those carrying *ALL* of their passengers a minimum of 30 miles, measured in a straight line. Tours and excursions in excess of 30 miles were also deregulated but those under 30 miles still require an RSL.

The Government has now begun a legislative programme to remove quantity controls over the remainder of the industry e.g. stage carriage services and excursion and tours under 30 miles.[2] However, the 1980 Act did relax entry into the stage carriage market making it easier for operators carrying passengers under 30 miles to obtain an RSL. This relaxation was important in the development of commuter services. Although the majority of the pioneer services began as notified express services, they later applied for and obtained RSLs and offered journeys to points outside the centre of London, which were less than 30 miles, to justify the RSL. Other operators applied to run on routes of less than 30 miles. Today there are very few commuter services which are not stage carriage licensed. In particular, stage services qualify for fuel tax rebate and also are exempt from the stricter EEC driver hours' regulations.

II. THE LONDON COMMUTER MARKET

Map 1 shows the Greater London area and the surrounding Home Counties. Throughout this century there has been an outward spread of commuting from these areas to London. As improvements in the rail network increased average rail speeds the catchment area for commuters grew and more were able to take advantage of the cheaper house prices in the Home Counties. Commuting from outside the GLC area by rail peaked in 1976 at about 200,000 passengers entering central London between 7.00 and 10.00. Since then a combination of office relocation

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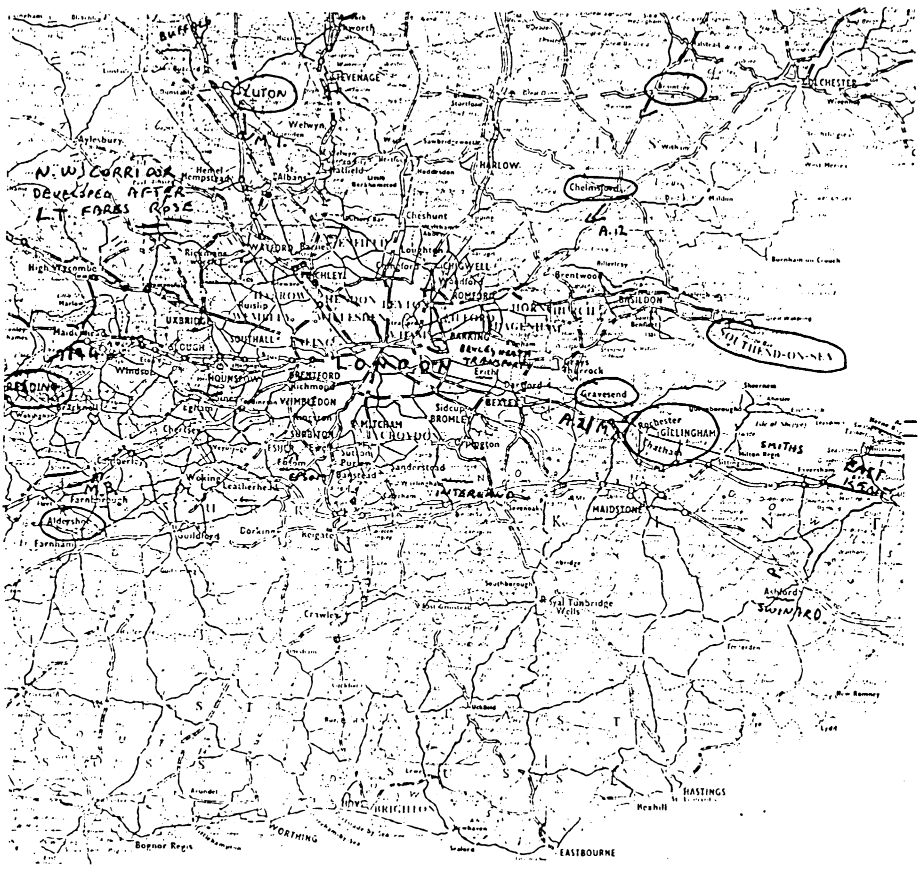
TABLE 1
COMPOSITION OF THE UNITED KINGDOM
PSV FLEET 1982

	No. of Operators	% of Vehicles
Nationalised Operators NBC, SBG + Ulsterbus	53	28%
London Regional Transport and PTEs in main cities	8	23%
Municipal (owned by Local Authorities)	50	7%
Private (Independent Operators)	c5,000	43%

Source: Robert.R.Davies, "Frederic Speight Memorial Lecture 1983"

MAP 1.
LONDON AND THE SOUTH EAST REGION
SHOWING THE MAIN AREAS SERVED BY
COMMUTER COACHES.



in suburban centres and increases in rail fares in real terms have resulted in reduction, to around 185,000 in 1983 and this market is still declining.

The 1980 Act enabled all sectors of the coach industry to compete against rail and each other in this declining commuter market. Many of the successful services make use of the motorway network to improve journey times. Places well served by commuter coach include the Medway towns, Gravesend, Southend, Chelmsford and Braintree, Luton, Reading, Newbury and Aldershot (see Map 1).

This paper limits itself to coach penetration into this commuter market. Longer distance express services such as those operated by the National Express network are not considered although there was, of course, increased competition here also after the 1980 Act.[3]

III. GROWTH IN THE COMMUTER COACH MARKET

Initial response to the opportunities afforded by the 1980 Act was slow. The first day of the new deregulated environment was 6 October 1980 when around 20 vehicles provided services during the peak period. All three sectors of the industry were represented from the start.

A. Subsidiary Companies of the State-Owned National Bus Company (NBC)

Those who immediately entered the commuter market were Maidstone and District using the brand name 'INVICTAWAY' and Alder Valley who revamped their London services as 'LONDONLINK'. Subsequently United Counties developed some services from the north of London and Green Line developed new services within its operating ring around London. (see Map 2).

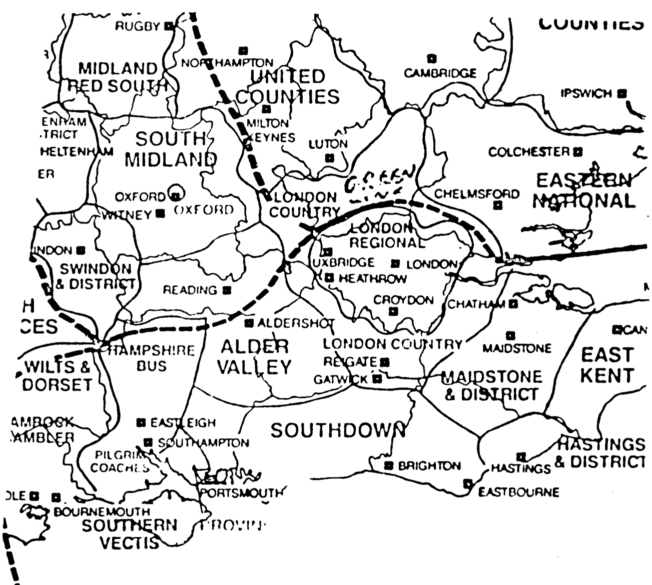
B. Municipal Operators

Prior to the 1980 Act municipal operators were limited to providing local stage carriage services. However, both Reading Corporation and Southend Transport saw the opportunity to diversify their activities. Initially they established a joint all-day through service from Reading to Southend via Central London but this did not work well, due to its length (3 hours 45 minutes) and the congestion in central London causing some problems for reliability. The services were separated in May 1982 since which date both have expanded, particularly Southend. Ironically from October 1980 the timings of the joint service enabled only journey to work traffic from Reading to London. Southend Transport did not see a potential commuter market. By March 1985, however, Southend had some 29 vehicles including three double-deck coaches, involved in peak period arrivals and departures from central London.

C. Independent Operators

Olsens of Strood operated several services from the Medway towns and Gastonia Coaches established a service from Cranleigh and Guildford.

MAP 2.
OPERATING AREAS OF NBC SUBSIDIARY
COMPANIES IN SOUTH EAST ENGLAND.



Gradually other independent operators entered the market such as Buffalo Coaches from Toddington and Flitwick (20 October); Swinards from Ashford (3 November); Smiths from Sheerness, Sittingbourne and Faversham (1 December) and Epsom Coaches from Great Bookham (January 1981).

New operators were slow to enter the market and patronage grew slowly on those services that were established. For instance, Smith's service carried 16 passengers on its first day of operation and continued to lose money for well over a year while patronage was built up. Thus the number of vehicles involved in commuter work from all three sectors had only grown to 80 by the beginning of 1982. Commuter services then grew rapidly during 1982 so that by the beginning of 1983, about 190 vehicles were involved.

There are a number of complex reasons as to why this "lift off" was achieved in 1982. Of primary importance were the two rail strikes of that year which forced many commuters to try these new alternative services. The majority of operators put on duplicate vehicles to meet the increased long term basis although the transfer from rail to coach was a "delayed reaction" because many rail passengers allowed their season tickets to expire before making the switch.

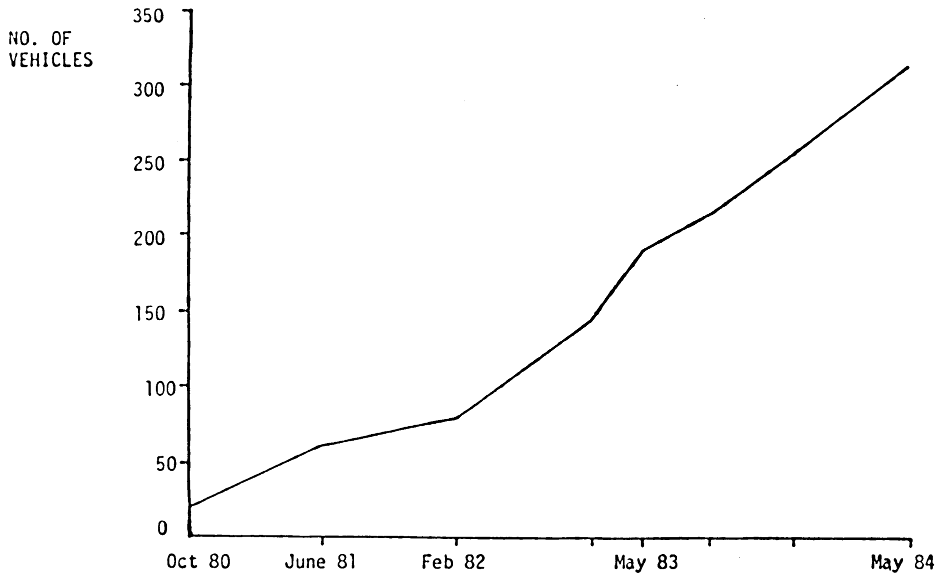
A separate impetus to the development of services from the North West of London (Chesham and Amersham areas) was the doubling of London Transport fares in March 1982 following the House of Lords decision that the cheap "Fares Fair" policy was illegal. The main rail link to Central London from this sector is provided by the Metropolitan line which was part of the London Transport network.

Ironically, just when the market was taking off the largest independent commuter coach operator at the time, Olsens of Strood, went bankrupt in January 1982. Olsens had widened its catchment area in Kent from beyond the Medway towns by the provision of feeder services and by the time of the collapse had developed a network of 30 coaches. The gap left by olsens was soon filled. Kings Ferry, who are the largest independent operator from the Kent area today, had begun a service using two vehicles from the Medway towns in August 1981 competing with the Olsens service. The service expanded rapidly during 1982 and early 1983 adding, on average, an extra vehicle to the service every four weeks. The second largest independent operator from Kent, Grey-Green Coaches, first entered commuter coaching providing vehicles, some with drivers, on contract to Olsens to enable them to cope with their expanding network. After Olsen's collapse they continued to operate some of these Olsens routes on their own account and also expanded rapidly. Other operators who had been in competition with Olsens also expanded during 1982.

IV. PCL SURVEY

Figure 1 shows the growth in the number of vehicles used for commuter coaching since 1980. The rapid growth of 1982 has continued although there are signs that between 1984 and 1985 this is slowing

FIGURE 1.
GROWTH IN THE NUMBER OF VEHICLES
USED FOR COMMUTER SERVICES



Source : PCL roadside survey.

down, perhaps as the market is reaching saturation point. Kent, the most important commuter coach corridor, may have already reached saturation. In our 1985 survey 134 vehicles (37% of all commuter coaches) were observed operating on the Kent routes which included 91 independent vehicles (67% of all independent commuter coaches). However, this represents *no* growth since the 1984 survey when over 130 vehicles were also observed. Growth between 1984 and 1985 has largely occurred on routes from Essex. By March 1985 commuter coaches carried approximately 13,000 passengers which represents around 7% of the public transport commuter market from outside the GLC area.

V. TWO DIFFERENT APPROACHES

Table 2 shows the number of commuter coach vehicles provided by each sector of the market. Clearly the independent share of this new market greatly exceeds the share traditionally achieved by independent operators for scheduled services. Two very different approaches have emerged to achieve the provision of peak-period only services. Firstly there is the one adopted by all the independent operators none of whom operates an all-day service, nor at weekends. They merely provide departures from the commuters' home areas early in the morning timed to arrive in Central London between 07.30 and 9.30, and departures from Central London between 16.15 and 18.30. This leaves three options for use of the vehicles during the inter-peak period.

i) Park the coaches in London at a cost of around £3.00 per day and pay the driver to do nothing other than perhaps clean the coach until it is time for the return service.
ii) Undertake private hire work, the area of the market with which independent operators are most familiar, in central London.
iii) Run the vehicles empty back to the home base to undertake routine maintenance work and then run them empty back to central London again.

This pattern of peak-period only services is not limited to the independent sector. For example, Green Line, operates nine peak-only Monday—to Friday services as well as all-day services also carrying commuters at peak periods.

The nearest independent equivalent to an all-day scheduled service is operated by Premier Travel of Cambridge who were involved in licensed scheduled express services before the 1980 Act, including several services run jointly with NBC. Traditionally they have run services from Cambridge to both Heathrow and Gatwick airports and after 1980 they decided the best way to introduce a two vehicle commuter coach service serving Bishops Stortford and Haverhill was to incorporate it within the airport service. The Commuter part of the service does not therefore incur the full cost of the vehicles used.

The second approach adopted on the majority of NBC commuter services and by both municipal operators is to provide a scheduled all-day service on weekdays plus also evening, and some weekend services. This solution also has a number of problems.

i) On most services there is still a heavy imbalance between the vehicle requirements for the peak and inter-peak periods. One of Green Line's most successful commuter routes, the 720 service to Gravesend has only four morning departures arriving in central London before 9.00, and ten departures from central London between 16.15 and 18.30, but these are further duplicated to provide 14 arrivals before 09.00, and departures between 16.15 and 18.30. Table 3 shows a potential vehicle duty roster based on the timetable showing how the service requires 16 vehicles but that the all-day service only requires five vehicles leaving eleven free for most of the day. The options for these 11 vehicles is the same as outlined above for the independent services.
ii) London is an obvious trip attraction for both shopping and leisure traffic and locally-based NBC subsidiary companies or municipal operators are ideally placed and have sufficient resources to promote off-peak travel albeit often in competition with BR's cheap off-peak day return fares. There is therefore potential traffic into London particularly on late morning departures such as 10.15 and 11.15 from

TABLE 2
COMMUTER COACHES DEPARTING FROM CENTRAL LONDON BETWEEN 16.15—18.30
IN MARCH 1985

Sector of Market	No of Vehicles	% of Vehicles	No of Passengers	Average Passenger Load
Independent	136	37.2	4,855	35.7
Municipal	41	11.2	1,800	43.9
NBC	189	51.6	6,785	35.9
	366	100	13,440	36.7

Source : PCL roadside survey.

TABLE 3
POSSIBLE VEHICLE ROSTER FOR 720
SERVICE

DEPART FROM:	NORTHFLEET	LONDON	NORTHFLEET	LONDON	NORTHFLEET	LONDON
Vehicle 1	5.50	7.45	10.15	13.15	16.15	18.15
2	5.53	8.45	11.15	14.15	18.00	20.00
3	6.10	9.15	12.15	15.30	19.45	21.30
4	6.30	10.15	13.35	16.000	21.15	23.00
5				16.44A		
6	OTHER	AVAILABLE FOR		16.30		
7	DUPLICATES	INTER PEAK		16.49B		
8	PROVIDING	HIRE WORK		[illegible]		
9	14 ARRIVALS			17.00		
10	IN LONDON	11 VEHICLES		17.15		
11	BEFORE 9.00			17.30		
12				17.45		
13				OTHER		
14				DUPLICATES		
15	8.15			FOR 14		
16	9.15	12.15	14.35	DEPARTURES		
				16.15-18.30		

Northfleet on route 720 (Table 3). There is not such obvious potential traffic in the reverse direction. Gravesend does not have obvious attractions other than some VFR traffic and on routes where there may be attractions regionally based companies do not have the resources to advertise widely in London to make their services widely known to Londoners. London Crusader Ltd (see below) has been established to overcome this problem.

iii) If a regional company does succeed in attracting off-peak shopping and leisure traffic to London then much of this traffic may return home during the evening peak at the same time as the regular commuters are returning home. The off-peak traffic is more susceptible to daily fluctuations than the regular commuter traffic and so operators of all day services find it more difficult to lay on the correct level of capacity during the evening peak. In on vehicle surveys we found that 14.4% of passengers using the all-day Alder Valley services for journeys to work complained about overcrowding or having to stand on the return journey but this was not identified as a problem by passengers using independent peak only services.

VI. COST STRUCTURES AND PROFITABILITY

There is a wide range in the quality of vehicles used for commuter services. At the one extreme are Kings Ferry who in 1984 completely renewed their fleet by purchasing 20 Volvo B10Ms with Berkhof Esprite bodies representing a £1.5 million investment (£75,000 each). Subsequently they have increased the fleet, and all vehicles have "up market" features such as tinted windows, drink dispensing machines and some even have toilets. Other examples of vehicle investment include Leyland Olympian double-deck vehicles fitted to coach specification operated by NBC subsidiaries, Green Line, Alder Valley and Invictaway and the Van Hool Astromegas purchased by Southend Transport. On the other hand several operators are using older and more basic vehicles such as Fords and Bedfords and street-side observations of vehicles over 10 years old are not uncommon. Clearly the costs of providing a service are variable depending on the age of a vehicle and the level of depreciation one has to allow for. Table 4 shows an estimate of the cost of providing a service with a new vehicle. There is some element of "trade off" that older vehicles will not incur the same levels of depreciation and interest charges but will have much higher per mile maintenance costs. The table offsets the full costs of the coach against the commuter service.

As a result of the low annual mileage involved in commuter operation the majority of the costs do not vary with distance. For a 30 mile single journey the distance related costs of fuel, maintenance and tyres amount to less than 10% of total costs. As one would expect there are no commuter coach standard fares. Different companies have adopted different ticketing policies. Most operators offer season tickets and where they are offered 80% of passengers use a season ticket of one sort or another. Empirical observations of the cost of "4-weekly" season tickets show most fares charged to be in the range of 4.0p to 5.5p per mile. For instance the 4-weekly fare from the Medway towns charged by both Invictaway and Kings Ferry is £62.00 and the return journey is around 66 to 74 miles, which corresponds to 4.2—5.0p per mile. There is also some empirical evidence of a taper structure based on distance. Shorter journeys like London-Gravesend at around 5.2p per mile for a 50 mile round journey and Epsom coaches at 5.5p per mile for a 32 mile round journey tend to be at the more expensive end of the scale.

Based on these observations for costs and revenue, Figure 2 shows the approximate break-even point for a peak-only commuter service at around 30

TABLE 4
ANNUAL COST OF PEAK-ONLY COMMUTER SERVICE OPERATION USING A NEW VEHICLE

Assumptions:
1. With discount, a basic heavyweight 57 seater costs £60,000.
2. Derv. costs £1.50 per gallon including fuel tax rebate.
3. Fuel consumption of 11.5 mpg is achieved.
4. Drivers' earnings are £200 per week gross, including national insurance contributions.
5. The purchase price of the coach is depreciated over 8 years on a straight-line basis, with nil residual value.
6. Parking in central London for the inter-peak period cost £3.00 per day. For some operators this can reach £5.00 per day.
7. Maintenance on a new vehicle is low at around 5 pence per mile.
8. Tyre costs are 2 pence per mile.
9. The operator has to borrow money to purchase a new vehicle and pays interest at 10% p.a.
10. Maintenance is carried out at weekends, or the vehicle returns to the depot during the inter-peak period allowing it to be used on the commuter service for 250 days p.a.
11. Depot overheads and administration, including Road Tax licences, amount to 15% of total costs.

For a single journey of 30 miles the coach runs 15,000 p.a.

	Total (£)	%
Depreciation	7,500	23.0
Interest charges	6,000	18.4
Fuel (1304 gallons)	1,957	6.0
Drivers' earnings	10,400	32.0
Maintenance	750	2.3
Tyres	300	0.9
Parking	750	2.3
Depot overheads	4,880	15.0
	32,537	99.9

Total cost £32,537 = £2.17 per vehicle mile.

miles for a single journey with a load of 45 passengers. Load factors varied considerably between operators. On-vehicle surveys on independent operators in the spring of 1984 revealed average loads varying from 25.5 passengers to 51.5 passengers.

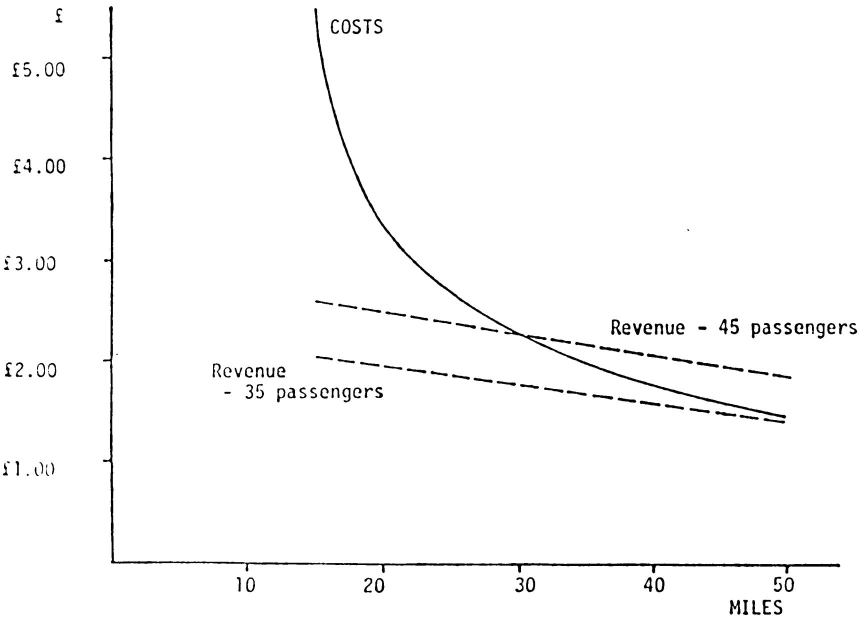
However, a reference back to Table 2 shows that for the commuter coach market as a whole the average is around 35 passengers. The higher figure for the municipal sector can be partly explained since Reading Transport operate mainly double-deck vehicles and Southend Transport also operate some double-deckers. The break-even point for a load of 35 passengers is in excess of 50 miles for a single journey. Clearly many of the vehicles involved in commuter work must undertake other revenue-earning activity. In particular it is clear that some of the short distance services are not viable in their own right. Indeed Epsom coaches began their service because of long standing contract hire work in London. They calculate that about 80% of the mileage operated by the commuter service would have been dead running anyway and so the commuter service is justified on a marginal cost basis. The Interland service is likewise tied in with schools contract work. There is, of course, scope for additional work at weekends.

VII. OTHER WORK FOR COMMUTER VEHICLES

A. Vehicles for All-Day Services

One obvious way for the NBC subsidiary companies to improve overall profitability of their vehicles is to increase patronage, particularly in the summer months, on the scheduled mid-morning departures from London operated by coaches which have already made a commuter journey in. To enable these routes to be marked more effectively to Londoners the NBC set up a subsidiary, London Crusader Ltd, in 1983. This new company does not own vehicles but acts as a marketing arm for NBC services from London. In Spring 1984 they distributed a brochure "Day Trips on a Budget" to 850,000 households (about 25% of the total in the GLC area). It suggested days out to seaside town, stately homes and so forth (69 destinations served by 51 services) together with details of the times and points of departure in London.. Some of the promoted trips operated by commuter vehicles are included in Table 6. 250,000 copies of a second but similar brochure called "Sightseeing on a Budget" were distributed through hotels, tourist board offices etc. aimed at

FIGURE 2.
COSTS AND REVENUE PER MILE OF PEAK
ONLY COMMUTER COACH OPERATION



promoting these same services to tourists staying in London.

As already stated many commuter services run from areas where there is no obvious attraction to promote traffic in the opposite direction. Despite the inclusion of Alder Valley 'Londonlink' services to Birdworld and Reading in the 1984 London Crusader brochure we observed a very low average load of the morning departures (less than 10 passengers). The 1985 brochure has dropped the promotion for shopping in Reading and included the Army museum in Aldershot as a new attraction.

Green Line is fortunate compared with other NBC subsidiary companies in that its operating base is not so geographically limited (Map 2). Thus there is scope to transfer vehicles from commuter routes where there are no obvious attractions to other routes. Indeed, following the success of the 1984 Sunday only service to Chartwell, a National Trust property, Green Line have decided to operate a weekday service during the summer of 1985. Spare inter-peak vehicles from route 720 are being used for this new service.

B. Private Hire Work

London commuter vehicles suffer from the same seasonal fluctuations as has traditionally been experienced in the private hire market generally. There is a high season for coaching which extends from late May to early October. Much of the hire work available is dependent on a buoyant tourist industry in London which in itself depends on a number of external factors such as the exchange rate between £ and $. Nevertheless since 1982, the year that commuter coaching grew dramatically the tourist market has been buoyant and operators have found hire work for nearly all of their vehicles nearly every day. Some hire work may, of course, be for a short duration leaving scope for a second job if it could be found.

One limitation is the requirement for good reliability for the evening departure of the commuter service. Any contracts accepted must enable the vehicle to be back in central in time with some allowance for traffic congestion. One operator, Smiths does not undertake hire work because of the threat to reliability.

Kings Ferry overcome this limitation by operating its 23 commuter departures and arrivals from a fleet of 30 vehicles. They then accept some contracts such as the "Hoverspeed Duplicates" which enable vehicles to run one leg of the commuter journey only. In cases of unforseen delay they have arrangements to hire in vehicles from some London operators to cover the commuter service.

A second limitation on the amount of hire work undertaken in one day is the law governing drives' hours. Although most services are stage carriage licensed and therefore not subject to the stringent EEC regulations, private hire work is covered by the EEC regulations and, if undertaken, all driving including the commuter service is taken into account. In short the maximum period of driving without a break is 4 hours and maximum number of hours per day and maximum 'spreadover' (between starting and ending work), 14 hours.

One use for commuter vehicles directly related to the tourist market is guided and unguided sightseeing tours of London, usually lasting half a day. London Crusader Ltd is one of ten competing companies operating such sightseeing tours and does hire in layover commuter vehicles from NBC subsidiary companies. The arrangements for 1985 include two Olympian double-deck coaches supplied by Alder Valley and one by Green Line with agreements concerning standby arrangements for duplication from 1 April to 29 October. A similar arrangement for double-deck vehicles has been made by Southend Transport over recent years. During the summer of both 1983 and 1984 they have hired a layover Van Hool Astromega to an independent sightseeing firm, London Pride.

Other areas of hire work are also related to the tourist trade. They include the provision of vehicles for tours of London or to nearby attractions such as Windsor included in package holidays offered by tour operators and also for transfers from airports and seaports to London hotels.

In addition to using their own resources to seek private hire work operators can also use the services of specialist marketing organisations. London Crusader Ltd has built up a private hire business since its formation and expects to double its turnover in 1985 compared with 1984. The timing of some of this hire work is suitable for layover vehicles. London Crusader will place hire work with independent operators depending upon the availability of vehicles from NBC subsidiary companies for the jobs they obtain. The potential of marketing the spare independent vehicles during the inter-peak period has only been recognised more recently. A new company, Traveldata, was established in April 1984 and offers a service to operators who have spare vehicles of which commuter coaches is an obvious example or those who need extra coaches. By establishing what an offering operator is prepared to pay Traveldata aims to find a "donor" operator. There is no membership fee for operators but Traveldata had a handling charge for each transaction. It is too early to tell how will this clearing bank for spare coaches will work but several of the largest commuter coach operators have registered. The largest independent operator, Kings Ferry, has been the most active in seeking private hire work itself that we have come across. However, they will also accept work from both of the above-mentioned marketing agencies. Indeed London Crusader Ltd, having won a tender to provide the vehicles for the London to Dover link of the London—Europe Hoverspeed service and have contracted Kings Ferry provide duplicate vehicles during the peak season (none of the other commuter operators including NBC subsidiary companies have vehicles of the required specification.)

During the off-peak season (October—April) there is hire work available for about 25% to 30% of the commuter coaches so during these months some 200 vehicles regularly have no work. There is still some tourist work available during this period. London Crusader hire in one double deck vehicle for their sightseeing tours and there are airport and seaport transfers to hotels as tour operators offer 'out of season' packages. Green Line undertake some winter transfers for Cosmos tours sometimes making use of inter-peak 720s.

Many of the vehicles used during the winter months are on all-year contracts. The most common contracts we discovered were various schools contracts often transferring children from the school to the public baths for a swimming lesson and back again. This type of work is severely limited in Central London because the Inner London Education Authority (ILEA) operates its own "in-house" fleet of school buses. However, contracts have been won in outer London boroughs like Hillingdon and Brent and commuter operators are in a good position to tender low rates as they are free to indulge in "marginal cost pricing", e.g. calculating the cost for fuel and maintenance of the extra mileage involved plus perhaps a small driver bonus and adding % for profit. Companies involved with schools contracts include the NBC subsidiary companies United Counties and Green Line and independent operators such as Grey Green and Interland.

CONCLUSIONS

This paper has charted a dramatic growth in commuter coaching since 1982. Figure 2 suggests that most routes, particularly the short distance ones cannot be profitable in isolation. It is difficult to ascertain to what extent the level of hire work available has speeded up the development of commuter coaching. Apart from Smiths and Reading Transport, who run their peak requirement of vehicles back to Reading as scheduled departures but nearly always empty, all operators seek it and the below break-even average load of 35 passengers suggests that more coaches enter Central London than the commuter traffic alone can justify. However, without the hire work there could still be at least 250 vehicles involved in commuter coaching.

More interestingly, commuter coaching has not changed the traditional coaching calender. The pattern of making profit during the summer months and attempting to break even or even operating at a loss during the winter months is familiar to independent operators. Commuter coaching has for some operators wholly or partly replaced contract and hire work like schools contracts as the all year round "bread and butter" revenue. The 1980 Act has blurred the previous very precise distinctions of stage carriage between private hire work. Now vehicles are regularly involved on both during the same day. The result has been not only an opportunity for independent operators to diversify into scheduled stage carriage services but also for NBC subsidiary companies, particularly through London Crusader, to move increasingly into the traditional independent operator's market of private hire work. In London the two activities have become increasingly linked.

ENDNOTES

(1) Transport Statistics Great Britain, 1973—83, HMSO, Table 2.33
(2) See 'Buses' White Paper Cmnd 9300 and 1985 Transport Bill.
(3) For an account of Express services since deregulation see robbins, D.K. & White, P.R., 'The Impact of Express Coach Deregulation', Public Money: Transport Policy Audit (forthcoming).