
STATUTORY INSTRUMENTS

2002 No. 2090

**The Service Subsidy Agreements
(Tendering) (England) Regulations 2002**

Exclusions from section 89(1) of the Act

3.—(1) Subject to paragraphs (2), (3) and (4) below, there are excluded from section 89(1) of the Act⁽¹⁾ the following service subsidy agreements—

- (a) any agreement which will remain in force for 12 months or more and under which the aggregate amount of the service subsidies payable in any period of 12 months is less than £25,000; and
- (b) any agreement which will remain in force for less than 12 months and under which the aggregate amount of the service subsidies payable under the agreement is less than £25,000.

(2) This regulation shall not exclude from section 89(1) of the Act any agreement whose effect is—

- (a) to provide for the person operating the service to receive in any period of 12 months from any one authority under service subsidy agreements entered into otherwise than by accepting tenders invited pursuant to section 89 of the Act an aggregate amount of service subsidies exceeding £150,000;
- (b) to modify an agreement which is within the scope of paragraph (1) above so that—
 - (i) in the case of a modified agreement which will remain in force for 12 months or more after the date on which the modification takes effect, the aggregate amount of the service subsidies payable in any period of 12 months is increased to £25,000 or more, or
 - (ii) in the case of a modified agreement which will remain in force for less than 12 months after the date on which the modification takes effect, in the period during which the modified agreement remains in force the aggregate amount of the service subsidies payable is increased to £25,000 or more.

(3) For the purposes of paragraphs (1) and (2) above, the aggregate amount of service subsidies payable in any period under a service subsidy agreement shall—

- (a) include any specific amount whose payment is dependent on a contingency; and
- (b) exclude any amount payable in any period of 12 months after the first such period during which the agreement is in force and which becomes payable—
 - (i) as a direct consequence of an increase in an index published by the Government of movements in prices or costs; or
 - (ii) pursuant to any provision of the agreement whereby an increase in the amount of service subsidies payable is not to exceed a figure calculated by reference to such an index.

⁽¹⁾ Section 89(7) and (8) was amended by section 152(2) of the Transport Act 2000.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

(4) This regulation shall not exclude from section 89(1) of the Act any service subsidy agreement providing for an increase in the amount of service subsidies payable to be agreed between the parties or to be calculated by any method other than those mentioned in paragraph (3)(b) of this regulation.