



Department for Transport

Neil Davies
Chief Executive
Medway Council
Gun Wharf
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Chatham
Kent
ME4 4TR

Stephen Fidler
Buses and Taxis Division
Department for Transport
Zone 2/14
Great Minster House
33 Horseferry Road
London SW1P 4DR

17 May 2017

Dear Neil Davies,

LOCAL AUTHORITY BUS SUBSIDY RING-FENCED (REVENUE) GRANT: DETERMINATION 2017/18 (31/3082)

Please see the attached Local Authority Bus Subsidy Ring-Fenced (Revenue) Grant: Specific Grant Determination 2017/18.

This follows the Government's decision in 2013 to devolve to local authorities:

- a) from 1 January 2014 – a sum broadly equivalent to the Bus Service Operators Grant (BSOG) previously paid to bus operators for running services under tender to local authorities;
- b) from 1 October 2013 – a sum broadly equivalent to the BSOG previously paid to authorities for running section 19 community transport services in-house;

The ring fence which applies to this funding has now been extended by a further year up to 31 March 2018.

This includes a declaration at Annex A that you and your authority's Chief Internal Auditor are required to sign and return to the Department for Transport by 30 September 2018.

I would like to take this opportunity to confirm that a payment of £172,154 is being paid to your authority in May 2017. This covers the combined amount due to your authority under (a) and/or (b) above, covering the period 1 April 2017 to 31 March 2018.

As in previous years, in using the devolved funding, local authorities should be mindful of the short-term impact of devolving BSOG funding on those operators with which they have contracts to run services, and are encouraged to ensure that, where possible, there is no unnecessary disruption to the local market.

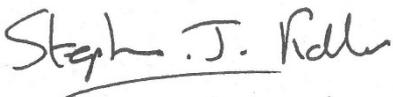
DfT reserve the right to request data/information from local authorities and other local decision bodies on the way in which the devolved funds have been used and the cost of the services/infrastructure bought with the funds, in order to allow the Department to evaluate the impact of devolving BSOG to local authorities.

DfT reserves the right to publish any data relating to this (after considering commercially sensitive information). Authorities are also encouraged to share useful information and best practice on the use of the devolved funds with other local authorities.

It is important that all local authorities satisfy themselves that their commercial tender competitions are conducted in accordance with both EU and domestic law and that where a local authority provides direct grant funding to a community transport operator, that local authority ensures that those grants comply with state aid requirements. A guidance note on this issue can be found at <https://www.gov.uk/government/publications/community-transport-operator-funding-eu-state-aid-rules>.

Please email Richard Yates at richard.yates@dft.gsi.gov.uk for queries relating to this letter.

Yours sincerely,

A handwritten signature in black ink that reads "Stephen J. Fidler". The signature is written in a cursive style with a horizontal line underlining the name.

Stephen Fidler
Deputy Director: Buses and Taxis