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STATUTORY INSTRUMENTS

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**2023 No. 1369**

**The Public Service Obligations in Transport Regulations 2023**

**PART 2**

**Content of public service contracts**

**Public service obligations**

**6.—**(1) A competent authority must determine the specifications for public service obligations and the scope of their application taking into account—

- (a) the possibility of grouping cost-covering services with non-cost-covering services, and
- (b) the appropriateness of the specifications to the services concerned.

(2) The specifications determined in accordance with paragraph (1) must be consistent with any objectives set out in relevant public transport policies, and both the specifications and the related compensation of the net financial effect on the operator of the public service obligations must be designed to—

- (a) achieve those objectives in a cost-effective manner, and
- (b) financially sustain the provision of public passenger transport services in the long term, in accordance with the requirements laid down in the relevant public transport policies.

(3) Subject to agreement of the competent authorities in whose geographical area the services are provided, public service obligations may concern cross-border public transport services, including those relating to local and regional transport needs.