Lancashire Leaders Meeting **Item 3 (b)**
6 May 2008
The Lancashire, Blackburn with Darwen and Blackpool Concessionary Travel Scheme Pooling Arrangements

At their meeting on the 22 April 2008 the Lancashire Chief Finance Officers met to consider the final proposals for a pooling arrangement for concessionary travel from 1 April 2008.

The proposals set out in this report have the support of all Lancashire Chief Finance Officers. Whilst it is acknowledged that some authorities may have preferred an alternative approach, the over-riding view of the LCFOs is that this proposal represents the most equitable approach and provides a workable model for a concessionary travel pooled funding arrangement.

The following principles regarding the pooling framework are proposed by LCFOs:-

1. The pool would operate for the 3 year period 2008/09 to 2010/11.

2. The pool will meet the costs of concessionary travel for commercial services, contracted services, Blackpool Tramway and Knott End Ferry. Park and Ride services would be included as a commercial service.

   Community transport, together with any further concessions agreed by an individual authority, will be excluded from the pool.

3. The contributions to the pool to be as follows:

   - contributions in 2008/09 would be the 2007/08 actual cost plus the special grant,
   - the 2009/10 contribution would be split ⅓ on 2008/09 actual costs calculated from NowCard data and ⅔ of the 2008/09 contribution to the pool,
   - the 2010/11 contribution would be split ⅔ on 2009/10 actual costs calculated from NowCard data and ⅓ of the 2008/09 contribution to the pool.

   This reflects the concerns raised by several authorities that the contributions to the pool move on a phased basis towards actual costs, and has the advantage of maintaining the benefits of a pooled arrangement, but provides some protection for those authorities that "lose" under pooling arrangements, and to reduce the benefit for those that "win".

4. The allocation of surpluses or deficits needed to be done on an equitable basis which also "keeps it simple". The proposal is that any overall deficit on the pool would be shared by authorities where actual costs are greater than their contribution, and an overall surplus would be shared by authorities where costs

are lower than their contribution. This would prevent authorities who were net contributors to the pool having to contribute further to a deficit, and any net gainers from receiving a share of the surplus.

5. Inflation would not be applied to contributions, and changes in costs would therefore flow through to the allocation of surpluses and deficits.

6. Payments would be made mid-month by each authority to the County Council on the basis of equal 12^{ths} of their annual contribution. The allocation of surpluses and deficits will be done as part of the year end process.

7. The operation of the pool, together with monitoring of the financial position of the pool, to be kept under review by the Lancashire Chief Finance Officers.

Gill Kilpatrick & Phil Seddon
On behalf of Lancashire Chief Finance Officers