

ASSEMBLY

15 September 2010

JOINT REPORT OF THE ACTING CHIEF EXECUTIVE AND THE ACTING CORPORATE DIRECTOR OF CUSTOMER SERVICES

Title: Proposed London Local Authorities Bill	For Decision
<p>Summary:</p> <p>London Councils is sponsoring an amendment to the Greater London Authority Act 1999 to allow greater flexibility in the eligibility times for freedom passes run by Transport for London on behalf of the London borough councils and to also introduce a provision for arbitration in the event that Transport for London and London Councils on behalf of the London boroughs could not agree on the costs of the freedom pass at any given time. (Under current arrangements Transport for London has reserve power to impose costs levels if agreement cannot be reached although such power has never had to be used).</p> <p>All London borough councils have been asked to pass a resolution (in the terms set out in the recommendations/reason section below) supporting the promotion of a Bill through Parliament to make the necessary amendments. London Councils are coordinating the effort to get the draft Bill deposited at the House of Commons by Friday 26 November 2010 which is the latest date for submission for the Bill to be considered in this Parliamentary session. Public notice of such changes is required which is being carried out by London Councils which also includes the dates which each London borough will pass the required resolution. Westminster City Council will propose the Bill on behalf of the London borough councils.</p>	
<p>Recommendation/Reason</p> <p>That Assembly pass the following resolution:</p> <p>That the London Borough of Barking & Dagenham approves the inclusion in a Bill to be promoted by Westminster City Council of provisions effecting all or some of the following purposes -</p> <ul style="list-style-type: none">(a) to alter the application of Chapter VIII of Part IV of the Greater London Authority Act 1999 so that different provision may be made for travel concessions in relation to different railway services and journeys on railway services on the London Local Transport Network and so as to make provision for arbitration in cases where London Authorities consider that charges notified by Transport for London under the reserve free travel scheme are excessive;(b) to enact any additional, supplemental and consequential provisions that may appear to be necessary or convenient.	
<p>Reason(s)</p> <p>To give the Council greater flexibility in negotiating costs for the freedom pass scheme and to enable a more flexible, customer focused and value for money scheme to be operated by Transport for London on behalf of the London boroughs including Barking and Dagenham.</p>	

Implications

Financial:

There are no costs arising from supporting the proposed Bill whereas significant costs could accrue to the Council (and other London boroughs) if the current inflexible scheme remains unchanged as outlined in the report. The proposed amendments offer the Council an opportunity to better manage costs associated with the Freedom Pass

Legal:

Under section 239 Local Government Act 1972 a local authority has power to promote any local or personal Bill where it considers it expedient to do so. The local authority must signal such promotion by a resolution passed by a majority of members at a meeting of the authority. Where a Bill is being promoted 30 clear days' notice of the meeting must be given in the local press. (This statutory notice is separate from the ordinary notice of a meeting of the Assembly). After the Bill is deposited the authority must call a further meeting as soon as may be after the expiration of 14 days from the deposit of the Bill in Parliament. This second meeting is convened in the same way as the first including prior notice and unless a majority of the whole members confirms the propriety of promoting the Bill, it is withdrawn. As such members will be asked to re-affirm by resolution their promotion of the Bill at a future meeting of Assembly.

London Councils have confirmed that they published notice of this meeting on 6 August 2010.

London Councils are similarly coordinating dates of the second required full council meetings across London borough councils and fulfilling the notification requirements on their behalf.

It is noteworthy that the draft Bill is being promoted by all 32 London borough councils. Section 87 Local Government Act 1985 permits a local authority to include provisions requested by another authority subject to the notification rules as set out above. London Councils has confirmed compliance with the various obligations in this regard.

Risk Management:

If the position remains as now there is a risk (so far not materialised) that TfL could impose a fee regime for the Freedom Pass scheme on London borough councils which they do not agree to and which could occasion financial difficulty.

Social Inclusion and Diversity:

Greater flexibility in the freedom pass scheme will enable the councils to better target the needs of vulnerable groups covered by the scheme

Crime and Disorder:

None associated with this scheme.

Options Appraisal:

The council could choose not to support the proposed Bill which would be weakened in Parliament by less than unanimous support across London borough councils. The Council stands to gain from the proposals and it is considered in its best interests to support the Bill.

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1. Introduction

- 1.1 This report relates to the freedom pass scheme managed by London Councils on behalf of the 32 London boroughs and the City of London with Transport for London (TfL) under powers granted in the Greater London Authority Act 1999 as amended by the Concessionary Bus Travel Act 2007. Under the scheme freedom passes are made available to older persons (male or female) who have attained age 60 (65 since 5 April 2010) and persons registered as statutorily disabled. Some London boroughs extend the pass to disabled persons who do not meet the statutory definition of disability.
- 1.2 The London focused legislation requires there to be a concessionary scheme on the London local transport network which in effect means all services operated or managed by TfL. In this regard TfL offers different categories of transport services namely bus, railway, tramway and river services. The terms and times of usage of the freedom pass is required to be the same across all categories of TfL's services. This requirement is felt to be too inflexible as it does not allow different times of eligibility to be set for different parts of the transport network or at different times. As indicated in the consultation document the planned extension of the freedom pass into morning peak hours will lead to significant cost increases to boroughs which must either extend the same provision across all services to maintain the uniformity principle or cut back eligibility times on all transport services. The proposed amendment would allow the London boroughs to negotiate different eligibility for different TfL railway services.
- 1.3 In addition under current arrangements freedom pass holders can travel outside London (to the ends of the Metropolitan and Central lines on London Underground and to Watford Junction on London Over ground) but freedom pass holders in those areas do not have any travel concessions on these rail services. London Councils note that complaints of unfairness are often received on this point. The proposed amendment would provide flexibility in arrangements arrived at.
- 1.4 A second amendment provides for an arbitration process for the reserve scheme. Under existing arrangements if TfL considers that by 1 January prior to the financial

year there is not in place a concessionary fares scheme which meets the statutory requirements it can impose a reserve scheme and set the charges accordingly. London Councils has advanced the view that it would be fairer for there to be an arbitration scheme if in the event the London boroughs and TfL could not agree and not least since the costs of the scheme are borne by London borough councils. It should be noted that to date TfL has not had to impose a scheme or level of fares as agreement has always been reached but the proposed amendment would provide an added safeguard to London boroughs and not least at a time of significant financial challenge.

- 1.5 London Councils launched a consultation on the proposed amendments in August 2010 which closes on 22 October 2010.
- 1.6 London Council's Leader's Committee agreed on 13 July 2010 to promote a private Bill to make the amendments referred to in this report. As noted by London Councils there is one opportunity each year to deposit private Bills before Parliament. The draft Bill text must be deposited with the House of Commons' private bill office by Friday 26 November to be considered in the current Parliamentary session. Further, before the Bill can be deposited every full council must pass a resolution supporting it and this meeting must be advertised. London Councils have advised all London boroughs that they have placed the advert with a list of all the relevant council meetings. To meet the earliest of these meetings London Councils placed the public notice on 6 August 2010. There is no separate requirement for Barking and Dagenham to publish any notice.

Background papers used in preparation of this report

- London Local Authorities (Travel Concession) Bill Consultation Document: August 2010
- Report presented to London Council's Leaders Committee on 13 July 2010 entitled 'Proposed London Local Authorities Bill'
- Draft London Local Authorities (Travel Concessions) Bill
- Draft public notice of the London Local Authorities (Travel Concessions) Bill

Consultees:

Councillor Smith, Leader of the Council
Councillor Alexander, Cabinet Member for Crime, Justice and Communities
Councillor Geddes, Cabinet Member for Finance, Revenue and Benefits
Councillor McCarthy, Cabinet Member for Regeneration
Councillor Reason, Cabinet Member for Health and Adult Services
Councillor Vincent, Cabinet Member for Environment
Councillor White, Cabinet Member for Customer Services and Human Resources
Katherine Maddock-Lyon, Head of Customer Strategy and Transformation
Nina Clark, Divisional Director Legal and Democratic Services