



Full Council
13 September 2010

Report from the Borough Solicitor

Wards Affected:
All

London Local Authorities Bill

1.0 Summary

- 1.1 London Councils on the 13 July 2010 agreed to promote a private Bill which will provide flexibility in relation to travel concessions on railways and will provide for an arbitration mechanism in relation to the cost of the reserve scheme. Following the decision Local Councils has asked each individual Borough including Brent for support.

2.0 Recommendation

- 2.1 Agree the resolution attached to this report as **Appendix A** which will approve the promotion of the London Local Authorities Bill by Westminster Council.

3.0 Detail

Background

- 3.1 The current proposals in the Bill were agreed by the Leaders Committee of London Councils on 13 July 2010. The proposals at this stage include two specific aspects of the current Freedom Pass system.
- 3.2 The Freedom Pass scheme currently provides 24 hour access to Transport for London (TfL) run rail services (Underground, Overground and DLR), access on National Rail services which excludes the morning peak times for travel. When TfL took control of the former Silverlink Metro, London Councils were advised it was required to offer the same times of eligibility as other TfL services. If more franchises are transferred to TfL the cost of extending the concession to morning peak on National Rail services would be high and an alternative would be to restrict the current access to TfL services.

- 3.3 The second aspect is for the reserve scheme that where there is no negotiated settlement with TfL an arbitration scheme be introduced.
- 3.4 Both aspects can be dealt with most easily by private legislation. If no legislative changes were made the risk would be a substantial increase for London Boroughs to the cost which might exceed £100 million, or the need to reduce the concession during the morning peak on the Underground, Overground and DLR.
- 3.5 This proposal allows for London Boroughs and TfL to negotiate different eligibility for different railway services, or parts of services, operated or managed by TfL. This would be done by a formal amendment to Section 242 (6) of the GLA Act 1999. London Councils will consult on the proposed amendment with stakeholders including the GLA, the Association of Train Operating Companies (ATOC) and relevant user groups.
- 3.6 The second amendment will introduce the possibility of an arbitration process for the reserve scheme. Currently TfL can impose a reserve scheme and set the charges for this and London Borough Councils and individual London Boroughs would have no say in how much the scheme would cost or how it would be apportioned. The Mayor has indicated he would accept this and London Councils would consult on the proposed amendment.
- 3.7 The proposed amendments are clearly set out in **Appendix A** to the report.

Procedure and Timing

- 3.8 The proposed Local London Authorities Bill, like the previous London Local Authority Bills will be promoted by Westminster Council with support from London Councils and their parliamentary agents Sharpe Pritchard.
- 3.9 The London Local Authorities Bill will need to be deposited with the House of Commons private bill office by Friday 26 November 2010.
- 3.10 Before the Bill can be deposited every Full Council must pass a resolution supporting it and this meeting must be advertised. In view of the timetable it is important that this report is considered at this meeting of Full Council

4.0 Financial Implications

- 4.1 The cost of supporting the Bill is estimated by London Councils to be around £10,000 and £15,000 given the brevity of the text.

5.0 Legal Implications

- 5.1 The proposals amend the terms of Section 242(6) of the GLA Act 1999 which will enable TfL to make different provision for different categories of railway services or a section of railway service and will enable TfL to deal with the

different franchises that are transferred to the organisation without causing an increased financial burden on individual London Boroughs.

6.0 Diversity Implications

6.1 Although there are no diversity issues with passing this resolution or supporting the promotion of the London Local Authorities Bill, there may be some diversity implications when implementing the proposals from the Bill. Officers will report on the diversity implications once the proposals in the Bill have been finalised.

7.0 Staffing Implications

7.1 There are no staffing issues that arise from passing the resolution or supporting the promotion of the 10th London Local Authorities Bill. London Councils and their parliamentary agents Sharpe Pritchard will provide the officer support to take the Bill through Parliament.

Background papers

Report to London Councils Leaders' Committee on 13 July 2010

Should any person require any further information about the issues addressed in this report, please contact Fiona Ledden, Borough Solicitor on telephone number 020 89371292.

Fiona Ledden
Borough Solicitor

APPENDIX A: DRAFT TEXT FOR AMENDMENTS IN CONCESSIONARY FARES

1. RAILWAY SERVICES

Amendment to Section 242 of Greater London Authority Act 1999

At end of section 242(6) add: “or different provision for different categories of railway service or sections of railway service”

2. RESERVE SCHEME

Amendment to Schedule 16 of Greater London Authority Act 1999

After paragraph 5(7) insert –

“(8) Where a London authority considers the amount notified by Transport for London under paragraph 5(1) to be excessive, the authority may within 7 days of being notified by Transport for London request that the matter is referred to an arbitrator appointed by the Chartered Institute of Arbitrators.

(9) If the arbitrator agrees that the proposed charge is excessive, then he shall notify both Transport for London and the authority of an alternative lower amount which the authority shall pay.”

In paragraph 6(1)(a) after “fixed by Transport for London” insert “or the arbitrator as the case may be”