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| <p style="text-align: center;">Council Meeting 14 SEPTEMBER 2010</p> |
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REPORT OF THE ACTING DEMOCRATIC SERVICES MANAGER
AGENDA ITEM 5.3

5.3.1 SCHEME OF MEMBERS ALLOWANCES

At its meeting on 13 July 2010, Council resolved to dispense with the services of the local Independent Remuneration Panel and instead have regard to the recommendations made by the London Councils Independent Panel on the Remuneration of Councillors (LCIP) and, in particular, the most recent report of that panel, published in May 2010.

The Members' Allowance Scheme for the year 2010/11 was revised for the period from 1 August 2010 to 31 March 2014 to include;

- (i) The recommendations of LCIP as to the amount of the Basic Allowance.
- (ii) That principle of the five bands of Special Responsibility Allowance.
- (iii) The revised schedule of Special Responsibility Allowances for the Barnet Scheme of Members Allowances.
- (iv) That no inflation uplift be applied to the Basic or Special Responsibility Allowances before May 2014.
- (v) That, at any given time, a member may only be in receipt of one Special Responsibility Allowance.
- (vi) The recommendations of LCIP regarding payments to members of the Standards Committee.

The arrangements for payment of a lump sum annual travel allowance of £500 "to recognise the cost of all travel within the borough" were also removed.

It was further agreed that in place of the previous arrangements an allowance of £256 per meeting attended shall be paid to the Chairman of the Standards Committee and an allowance of £127 per meeting attended shall be paid to the other Independent Members of the Standards Committee.

The revised scheme came into effect on 1 August 2010. All Cabinet Members agreed to forgo £7,200 from their special responsibility allowance so that there would be no additional costs to the overall Members Allowances budget for 2010/11 and, on a full year from 2011/12, any additional costs would not exceed £15,228. The proposals set out below, if adopted, will result in a saving of £76,284 in 2010/11 and £115,113 for a full year in 2011/12 onwards (Appendix 2). The latter includes an overall saving of £99,885 and the saving of the additional cost to the overall Members Allowances budget of £15,228 from 2011/12 onwards, as included within the revised scheme to Council on 13 July 2010.

The Leader of the Council has requested that an item be included in my report setting out the following proposed further revisions to the Members' Allowances Scheme, with retrospective effect from 1 August 2010 -

| Position | Band | Approved by Council on 13 July 2010 | Proposed revisions |
|--|-------------|--|---------------------------|
| Cabinet Members (excl. Leader and Deputy) | 3 | 34,780 | 17,455 |
| Deputy Leader of the Council | 3 | 41,262 | 27,429 |
| Leader of the Council | 4 | 54,227 | 34,909 |

Council is also asked to clarify that, in place of the previous arrangements, the allowances for co-opted members appointed to other Council Committees shall be the same as those for Independent Members of the Standards Committee, so that an allowance of £127 per meeting attended shall be paid to such co-opted Members.

Recommend - That the Council

- (1) Approve the further revisions to the Members' Allowances Scheme as stated below;**
 - The adjustment of the Cabinet Member's Special Responsibility Allowance from £34,780 to £17,455
 - The adjustment of the Deputy Leader's Special Responsibility Allowance from £41,262 to £27,429
 - The adjustment of the Special Responsibility Allowance for the Leader of the Council from £54,227 to £34,909
- (2) Confirm the revision to the co-opted members' allowance, so that an allowance of £127 per meeting is paid to a co-opted member for his/her attendance at any relevant committee meeting.**
- (3) Approve the revised Members Allowances Scheme attached (Appendix 1), incorporating these amendments with retrospective effect from 1 August 2010.**
- (4) Instruct the Officers to implement the necessary changes and the Acting Democratic Services Manager to make the necessary amendments to the Council's Constitution.**

5.3.2 NATIONAL GRID RESPONSE TO THE COUNCIL REGARDING THE EAST BARNET GAS SUPPLY DISRUPTION

At its meeting on the 20 April 2010, Council approved the recommendations and adoption of the Ad Hoc Overview & Scrutiny Committee dated the 18 March 2010 regarding the East Barnet gas supply disruption. One of the recommendations instructed '.....***the Chief Executive of the Council write to National Grid asking them to increase compensation to affected residents to the level of £100 per day.***'

Attached at Appendix 3, is the National Grid response to the Council regarding the East Barnet gas supply disruption.

RECOMMEND – That the Council note the response from National Grid.

5.3.3 LONDON LOCAL AUTHORITIES BILL

This item seeks to confirm by resolution the promotion of a London Local Authorities Bill that would amend the Greater London Authority (GLA) Act to provide flexibility in relation to travel concession on railways and would provide an arbitration mechanism in relation to the cost of the reserve scheme. The resolution is necessary to enable the Council to promote the Bill. If the resolution is not confirmed by the full Council the Council will be unable to participate in the Bill. The report to the London Councils Leaders' Committee on the Proposed London Local Authorities Bill is attached as Appendix 4.

RECOMMEND – That the Council

(1) Confirm by resolution the promotion of the London Local Authorities Bill; and

(2) Agree the draft resolution as set out in Appendix 4.

5.3.4 CHANGES TO REPRESENTATION OF THE COUNCIL ON OUTSIDE BODIES

The Conservative Group has indicated that they wish to make the following changes:

RECOMMEND – That the following changes to the representation of the Council on Outside Bodies be approved:

Arts Depot Trust Limited

Ref: 0228a

- **Councillor David Longstaff to replace Councillor Lisa Rutter as a Council Representative on the organisation**

Aysen Giritli
Acting Democratic Services Manager

APPENDIX 1

| Position | Band | Amount | Proposal |
|---|----------|--------------|------------------|
| Leader of Smaller Opposition Group | 1 | 2368 | Unchanged |
| Member of Pension Fund Cttee | 1 | 2368 | |
| Shadow Cabinet Members | 1 | 2368 | |
| Chairmen of Area Environments | 1 | 2368 | |
| Chairmen of Residents Forums | 1 | 2368 | |
| Chairmen of Overview and Scrutiny Sub Cttees (except Business Management) | 1 | 8852 | |
| Chairman of Special Cttee to Deal with Constitution | 1 | 8852 | |
| Chairmen of Area Planning | 1 | 8852 | |
| Chairman of Audit Cttee | 2 | 15333 | |
| Leader of Major Opposition Group | 2 | 15333 | |
| Chairman of General Functions Cttee | 2 | 15333 | |
| Chairman of Business Management Overview and Scrutiny Sub Cttee | 2 | 15333 | |
| Chairmen of Overview and Scrutiny Committees | 2 | 15333 | |
| Chairman of Licensing Cttee | 2 | 15333 | |
| Chairman of Pension Fund Cttee | 2 | 15333 | |
| Chairman of Planning & Environment Cttee | 2 | 15333 | |
| Cabinet Members (excl. Leader and Deputy) | 3 | 34780 | 17,455 |
| Deputy Leader of the Council | 3 | 41262 | 27,429 |
| Leader of the Council | 4 | 54227 | 34,909 |
| BASIC ALLOWANCE | | 10597 | Unchanged |

A Member holding posts that attract more than one SRA may only be in receipt of one SRA at any given time. The Member shall be entitled to receive whichever is the higher of the SRAs

APPENDIX 2

| LC Scheme costs with proposed further adjustment to CM/Deputy Leader/Leader SRAs from 1st August 2010 | | | |
|--|------------------------------|-----------------------------|-----------------------|
| 2010/11 cost assuming implementation from 1st August 2010 | Barnet Scheme (April - July) | New Scheme (August - March) | Total 10/11 |
| Allowances | 391,470 | 857,371 | 1,248,840 |
| Less: | | | |
| Adjustment to Cabinet Allowances (pro-rata) (note 2) | | (114,501) | (114,501) |
| Add: Co-opted Member's allowance | | 2,032 | 2,032 |
| Total | 391,470 | 744,902 | 1,136,372 |
| On-costs @ 17.8% (note 1) | | | 202,274 |
| Total incl. on-costs | | | 1,338,646 |
| Budget (incl. on-costs) | | | 1,414,930 |
| Overspend/(Underspend) vs Budget 2010/11 | | | (76,284) |
| | | | |
| LC Scheme full year (2011/12 onwards) | | | LC Scheme (Full Year) |
| | | | £ |
| Allowances | | | 1,286,056 |
| Less: | | | |
| Adjustment to Cabinet Allowances | | | (171,751) |
| Add: Co-opted Member's allowance | | | 2,032 |
| Total | | | 1,116,337 |
| On-costs @ 17.8% (note 1) | | | 198,708 |
| Total incl. on-costs | | | 1,315,045 |
| Budget (incl. on-costs) | | | 1,414,930 |
| Overspend/(Under spend) vs. Budget (Full Year) | | | (99,885) |
| Notes | | | |
| 1. On-cost rate used above is based on actual on-costs in 09/10 and could vary dependent on membership of the pension Scheme | | | |
| (b) Revised allowances for Leader, Deputy Leader and Cabinet members effective from 01/08/2010: | | | |
| | Leader | £34,909 | |
| | Deputy Leader | £27,429 | |
| | Cabinet Members | £17,455 | |

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Mr Clive Nicholas
Customer Experience Manager
Gas Distribution
National Grid

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21st July 2010

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Dear Mr Walkley,

Thank you for your correspondence dated 16th June 2010 regarding the Scrutiny Committee's report into the utility problems experienced in East Barnet in December 2009 which has been passed for my attention.

The Committee made a number of recommendations involving National Grid and we have given careful consideration as to how we can support their implementation.

Recommendation 1: That, reflecting the severity of weather and length of the incident, the Chief Executive of the council writes to National Grid asking them to increase compensation to affected residents to the level of £100 per day.

Recommendation 2: That National Grid offer compensation to residents who suffered gas outages of periods of 12 hours or longer.

As the Committee's report explains, the incident was caused by a water main belonging to Veolia Water bursting, leading to damage and water entering National Grid's gas distribution network and resulting in the loss of gas supplies to customers.

Under such circumstances National Grid is required to compensate customers if their gas supply is interrupted for a period in excess of 24 hours. The payments are set under the Guaranteed Standards of Service at £30 for domestic customers and £50 for non-domestic customer, with an additional £30/ £50 for each subsequent complete 24 hours National Grid is unable to reconnect, up to a maximum of £1000.

Customers are generally not eligible for compensation for any periods of less than 24 hours. However, during this incident, customers were paid for each day off gas and not by the 24 hours as regulated. In addition, careful consideration was made regarding the payments made to occupiers for the time off gas and an additional goodwill payment, was made to each household who was at home during Christmas and Boxing Day, of £100 per day, to reflect the additional inconvenience caused over the festive period.

To ensure that all customers had been appropriately paid in line with our guaranteed payment and where appropriate the discretionary payment had been applied, National Grid operated a three day customer centre in Barnet during February, allowing customers the opportunity to discuss their payments. During this surgery over 300 residents spoke with our customer service personnel and any outstanding payments or incorrect payments were investigated and processed accordingly.

We believe that given the circumstances of the incident that the payments made by National Grid are appropriate and consistent with those made during other similar incidents. However, we recognise the support offered to National Grid by the local community during the incident and therefore we made an offer at a previous public meeting to make a contribution to the local community. This offer remains open and if you would like to discuss further, please contact me on the number above.

Recommendation 4: That the memorandum of understanding for utility companies responding to supply disruption and suchlike incidents be updated in consultation with the local authority in responding to incidents.

National Grid agrees that the memorandum of understanding should be reviewed and that the review should consider the role of local authorities within any such incident area. A meeting between Veolia, EDF and National Grid following the Barnet incident concluded that given the potential number of parties involved nationally, consideration ought to be given to a multilateral agreement between bodies representing the respective utilities and local authorities.

Recommendation 7: That in light of the inadequacies highlighted by the committee, the utility companies review their customer care arrangements for incidents of this kind.

As we acknowledged to the Committee, our initial response in terms of customer communication could have been better. In particular, National Grid was hampered by having to support a similar incident in Caddington, near Luton where damaged was also caused to the gas network by a burst water main. Loss of supply incidents where water enters the gas system are extremely challenging and it can be difficult to estimate the scale of the incident as water moves around the network, National Grid's operation was also stretched by the extremely high workload and weather associated with what has been acknowledged as the coldest winter in over 30 years.

However I would like to assure you that we have captured the learning from this incident and reviewed our processes. A number of changes have been implemented at subsequent incidents to good affect and with positive feedback from customers.

Recommendation 9: The steps that are taken by utility companies to ensure that roads are re-surfaced to the satisfaction of the authority following the completion of works.

National Grid complies with the Department for Transport's document 'Specification for Reinstatement of opening in Highways' which ensures that all roads are backfilled and reinstated to the national standard and are guaranteed for a period of 2 years. All reinstatements are inspected by the local authority and we have joint quality assurance processes in place.

I do hope that you find this information of assistance.

Yours sincerely



Mr Clive Nicholas

APPENDIX 4 - PROPOSED LONDON LOCAL AUTHORITIES BILL

1. PROPOSAL

- 1.1 Members may be aware of proposals in April 2009 for London Councils to address two aspects of the current Freedom Pass system:
- Railway services: the scheme currently provides for 24-hour access to TfL run rail services (Underground, Overground and DLR) but access to services on National Rail agreed through the Association of Train Operating Companies (ATOC) excludes the morning peak. When TfL took control of the former Silverlink Metro services in November 2007, London Councils was advised that it had to offer the same times of eligibility as on other TfL rail services. This was a relatively small change. If more franchises are transferred to TfL we will be obliged to offer the same concession on all, either extending the concession into the morning peak on National Rail services – at high cost – or restricting existing access to TfL services.
 - Reserve scheme: a further proposal would provide a safeguard over the cost of the scheme for London boroughs in the event of there being no negotiated settlement with TfL. This issue was raised as part of the agreement with the Mayor on the 5-year deal on Freedom Pass and was previously agreed by members to be part of a Bill which might be deposited in November 2010.
- 1.2 Both issues would most easily be addressed by private legislation. Under this proposal, London Councils would commission retained legal and parliamentary agents Sharpe Pritchard to draft and deposit a private Bill tackling both issues by amendment to the Greater London Authority (GLA) Act 1999. The Bill would be sponsored by Westminster City Council and deposited in parliament by the end of November 2010 (in time for a first reading in January 2011).
- 1.3 The first amendment would address railway services. At present, the same times of eligibility must be offered on all railway services operated or managed by TfL even if they are outside Greater London or where there are parallel national rail services serving the same stations which have a different eligibility to TfL. Following TfL's takeover of the former Silverlink Metro services to form London Overground, there are now a couple of places where parallel services with different eligibility exist- e.g. Clapham Junction to Harrow & Wealdstone/ Watford Junction and New Cross Gate to West Croydon/ Crystal Palace. This will become a major issue if TfL takes charge of more suburban rail services e.g. in south London.
- 1.4 The Government has already suggested that it wants to give TfL more say over National Rail services in London and extending TfL control over franchises in London in the same way as with London Overground would not need any primary legislation. In considering access by Freedom Pass

holders to these national rail services during the morning peak, as part of the general extension of Freedom Pass into the morning peak in 2008, ATOC gave a quote in excess of £100m. The risk is, therefore, that without any legislative change, boroughs would be faced with a choice either of extending Freedom Pass into the morning peak on National Rail services at a cost which might exceed £100m or having to reduce the current scheme by removing the concession during the morning peak on the Underground, Overground and DLR. What is clear is that under these circumstances the current status quo could not be continued.

- 1.5 The proposal would allow London boroughs and Transport for London (TfL) to negotiate different eligibility for different railway services (or parts of railway services) operated or managed by TfL. This would be done by an amendment to Section 242(6) of the GLA Act 1999. London Councils would consult on this proposed amendment with stakeholders including the GLA, the Association of Train Operating Companies (ATOC) and relevant user groups.
- 1.6 The second amendment would introduce the possibility of an arbitration process for the reserve scheme. At present, 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 in relation to the national bus concession on buses and in relation to scope and uniformity in relation to other modes, then it can impose a reserve scheme and set the charges for this. If this were to happen (and it has never happened yet), neither London Councils nor individual boroughs would have a say in how much the scheme would cost or how the costs were to be apportioned.
- 1.7 It would be much fairer for there to be an arbitration mechanism if London Councils were unhappy with what TfL proposed. This would only affect the amount the scheme cost London boroughs. This amendment would be likely to be uncontroversial as it does not alter the reserve scheme itself. As part of the five year deal negotiated in early 2009 was an agreement that the Mayor would support such legislation. Again London Councils would consult stakeholders on the proposed amendment.
- 1.8 A copy of the draft text of these amendments is at Appendix A.
- 1.9 This proposal was agreed in principle by the new Executive on 28 June. Agreement is now needed from Leaders' Committee, so that there is enough time for each borough to pass an individual resolution at a meeting of its full Council, publicly advertised in the local media.

2. TIMETABLE CONSTRAINTS

There is only one opportunity each year to deposit private Bills before Parliament. In order for the Bill process to start in this Parliamentary session, the draft Bill text must be deposited with the House of Commons' private bill office by **Friday 26 November**. Before the Bill can be deposited every full council must pass a resolution supporting it and this meeting must be advertised. London Councils would expect to place the

advert with a list of all the relevant council meetings. To meet the earliest of these, the advert must be placed in early August.

Given the requirement that we confirm approved from each individual borough, there is in practice a very limited timescale to approve this work in time for the final deposit date in late November.

3. FINANCIAL IMPLICATIONS FOR LONDON COUNCILS

It is not possible to give a precise estimate of the overall cost, but it is hoped that costs would be kept relatively low given the brevity of the text, and the scope to minimise objection through the consultation process. It is expected that the external cost of co-ordinating the Bill through Sharpe Pritchard would be between £10,000 and £15,000.

4. LEGAL IMPLICATIONS FOR LONDON COUNCILS

There are no specific legal implications from this report.

5. EQUALITIES IMPLICATIONS FOR LONDON COUNCILS

There are no specific equalities implications from this proposal, although adoption of the recommendations and subsequent enactment of the Bill proposals could affect details regarding future delivery of the Freedom Pass scheme provided to elderly and disabled Londoners.

6. APPENDICES

Appendix A: Draft text for amendments on concessionary fares

7. BACKGROUND PAPERS

None

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"

FIRST RESOLUTION OF COUNCIL

BARNET LONDON BOROUGH COUNCIL

RESOLVED -

That the Council approves the inclusion in a bill to be promoted by Westminster City Council of provisions effecting all or some of the following purposes -

- (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.

I HEREBY CERTIFY THAT -

- (1) the above Resolution is a true copy of a Resolution passed by the Barnet London Borough Council on the [] day of [] 2010;
- (2) the said Resolution was passed by a majority of the whole number of the members of the Council; and
- (3) the meeting at which the said Resolution was passed was held after thirty clear days' notice of the meeting and of the purposes thereof had been given by advertisement in a local newspaper circulating in the borough such notice being given in addition to the ordinary notice required to be given for the convening of a meeting of the Council.

Dated this [] day of [] 2010.

[Chief Executive]

[or other appropriate officer]