



CABINET

14 DECEMBER 2011

REPORT

Subject Heading:

Blue Badge Scheme

Cabinet Member:

Councillor Michael Armstrong, (Transformation)

CMT Lead:

Cynthia Griffin – Group Director
(Culture and Community)

Report Author and contact details:

Jeff Potter, Head of Customer Services

Policy context:

The Blue Badge Improvement Service is a Department for Transport initiative to counter fraud and abuse.

Financial summary:

The proposals can be implemented without any additional net costs.

Is this a Key Decision?

No

Is this a Strategic Decision?

No

When should this matter be reviewed?

At end of contract with Northgate

Reviewing OSC:

Environment OSC

The subject matter of this report deals with the following Council Objectives

Ensuring a clean, safe and green borough	<input type="checkbox"/>
Championing education and learning for all	<input type="checkbox"/>
Providing economic, social and cultural activity in thriving towns and villages	<input checked="" type="checkbox"/>
Valuing and enhancing the lives of our residents	<input checked="" type="checkbox"/>
Delivering high customer satisfaction and a stable council tax	<input checked="" type="checkbox"/>

SUMMARY

This report informs the Cabinet of the forthcoming national changes to the Blue Badge scheme; and seeks approval on increasing the administration charge to successful applicants.

RECOMMENDATIONS

1. To note the introduction by the Department for Transport of the Blue Badge Improvement Service with effect from 1st January 2012.
2. To agree to the proposed increase in administration charges from £2 to £10 for each successful Blue Badge application, replacement or renewal with effect from 1st January 2012; thereby recovering associated costs.
3. To note the Department for Transport's requirement for the Mobility Assessment of all Blue Badge applicants with effect from 1st January 2012.
4. To note that these changes will not affect the existing facility for Blue Badge holders with the greatest need (those who qualify for the Badge without the need for further assessment) to park for free in Council car parks.

REPORT DETAIL

1. Blue Badge Improvement Service (BBIS)

- 1.1 With the pressure across Government and the public sector to deliver more effective services to customers, whilst cutting budgets and identifying efficiencies, local authorities are under even more pressure to do more with less. Local authorities have been encouraged to take opportunities that present themselves in order to share services and work together to achieve greater economies of scale.
- 1.2 The Department for Transport's Blue Badge Improvement Service (BBIS) fits into the overall Blue Badge Reform Programme announced by Norman Baker on 14th February 2011 and will 'go-live' on 1st January 2012. The aim of BBIS is to ensure that the Blue Badge administration is fair, no matter where the applicant lives in Britain, to prevent fraud and to reduce the current high levels of abuse.
- 1.3 The BBIS promises to bring significant operational and other efficiencies for local authorities, therefore providing increased value for money for the borough's residents. The DfT estimates that the annual benefit of a Blue Badge (BB) to a disabled person is on average £100. The benefit to those who travel into the realms of central London's Congestion Charge at no cost, could be as much as £5,000 per annum.
- 1.4 The DfT has carried out a competitive procurement for a supplier to develop and deliver BBIS. Northgate Information Systems and Payne Security have been

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selected as the successful suppliers during a five year contract. The Council has completed an Access Agreement for the services to be delivered by Northgate.

1.5 BBIS will provide the following:

- Secure printing, personalisation and distribution of the new BB design
- A central database of all BBs on issue and key information on badge holders
- An on-line eligibility checker and application form available via the Directgov site
- A secure web-based service available over Government Connect (GCSx)
- Accreditation to HMG security requirements
- Compliancy with data protection legislation

1.6 The central database, an on-line application system and a single print service for the badge offer many benefits:

a) Fraud prevention and effective enforcement

- automated checks can be made at application stage to prevent multiple or fraudulent applications
- use of sophisticated anti-fraud technology is included in the new badge design
- a single supplier means improved security in the supply, storage and distribution of badges
- quick and easy enforcement checks can be made by enforcement officers from anywhere in the country on badges issued by any LA, either using a desktop PC or SMARTphone

b) Modern services

- automated checks can reduce the need for time consuming, paper-based checks on applications by LAs

c) Improved customer services

- quicker, easier renewals for people whose circumstances have not changed
- reminders can be sent centrally, via letter, email or text message
- records can move to different LAs if the badge holder moves house

d) Significant operational and other efficiencies for LAs

- Northgate and Payne are investing the capital costs needed to develop the system
- LAs will pay a charge of £4.60 (ex VAT) per badge issued, to Northgate for the service
- all LAs will pay the same price for the same level of service
- the price is fixed for the duration of the contract
- enforcing LAs will not be charged for enforcement checks

1.7 The £4.60 charge per badge from Northgate to the local authorities includes: the cost of sending each successful applicant the new badge, the parking clock, the 'Rights and Responsibilities' leaflet, a covering letter and 2nd class postage.

2. New Blue Badge Charge of £10

2.1 The current charge for a BB is £2, the maximum local authorities are allowed to charge. The DfT has amended legislation, raising the maximum Blue Badge fee that English LAs can charge to £10. The successful applicant will pay this charge to the council when collecting their BB from the PASC.

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- 2.2 The BB will continue to be valid for three years; and it is recommended that Havering adopts this £10 fee with effect from 1st January 2012 to recover the full costs of administration, mobility assessment, badge manufacture and enforcement.
- 2.3 This £10 charge will contribute towards the £4.60 (excl. VAT) charge per badge issued to Northgate (whom will bill the Council monthly in arrears).
- 2.4 The average number of BBs issued annually is 4,000 (2,500 renewals, and 1,500 new applicants). On this assumption, it is estimated that:
- Havering will receive £40,000 from BB charges (if the £10 fee is approved)
 - the annual payment to Northgate will be approximately £18,400
 - Havering will generate approximately £21,600 to contribute towards the new costs of administering the service, and the mobility assessments

3. Applications and Administration

- 3.1 Havering Council, like all other local authorities, will still play a major part in the BB application process as it retains responsibility for certain parts of the process including: uploading applications onto the system, checking the evidence provided, deciding who is eligible or not for the BB service by undertaking assessments (see below), and entering the information onto the Northgate database (and automatically onto CRM).
- 3.2 The BB administration in Havering is undertaken by Customer Services, and good practice will continue to be followed by satisfying key principles:
- **Clear and Customer friendly:** application routes are easy to comprehend and all forms and questions used are easy to understand and complete.
 - **Fair and consistent:** the process is uniform within the borough, so that every applicant provides the same information about themselves and their disability when applying.
 - **Speed and efficiency:** the application process is not overly cumbersome from the perspective of both the applicant and the council (in processing the information collected). Only questions which are pertinent to an individual's application for a BB are contained in forms, which support the efficient 'downstream' eligibility assessment practices.
 - **Resistant to abuse:** the process has built-in reasonable safeguards to discourage overly speculative applications and enable the council to identify fraudulent applications.
- 3.3 The BB administration being located within the PASC has the advantage of providing targeted information for people with specific mobility issues from a dedicated resource. This provides a 'front line' contact facility with incoming calls and 'drop-in' visitors being supplied with the new Application Form and help with its completion. The application form will also be accessible from DirectGov website.
- 3.4 Front line staff support a small back-office team who work largely without interruption from telephone calls; however are available to meet members of the public or field calls from people with more complex enquiries whenever necessary.

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The back office team are responsible for processing BB application forms, however *will also* become responsible for undertaking cross-checks of the council's databases particularly CRM. This will place a new administrative burden on the existing staffing resources.

- 3.5 "Non-automatic" applications will be subject to a Desk Top Assessment (DTA) by the back office team; and those applications deemed borderline will require an Independent Mobility Assessment (IMA) by an Occupational Therapist.
- 3.6 DTAs and IMAs undertaken will replace the flawed process of General Practitioner 'assessment'. The proportion of BB applicants refused a badge following GP 'assessment' has been extremely low - just 6.6% in local authorities outside of London and 0% in local authorities in London.

4. Eligibility Criteria

- 4.1 The criteria for being in receipt of a BB in Havering (and the vast majority of other local authorities) is as follows:

Eligible Without Further Assessment (previously known as Automatic):

- Being registered as blind under the National Assistance Act 1948
- Being in receipt of the Disability Living Allowance at the higher rate for Mobility*
- In receipt of War Pensioners' Mobility Supplement

** Local authorities are now encouraged to request proof of eligibility for HRMCDLA from last 12 months in order to ensure it is current. If the applicant's award notice letter is more than 12 months old, this can be achieved using the annual uprating letter that is issued to all recipients.*

Eligible Subject to Further Assessment (previously known as Discretionary):

- Applicants who do not fulfil the Automatic criteria, are more than three years old and fall within one or more of the following:
 - have a severe disability affecting both arms, drive regularly and cannot operate or have considerable difficulty in operating all or some types of parking meters.
 - unable to walk or have considerable difficulty in walking due to a permanent and substantial disability.
- 4.2 All discretionary (non-automatic) applications will be assessed by a Desk Top Assessment and if necessary an Independent Mobility Assessment by an Occupational Therapist.
 - 4.3 Customer Services will provide our customers with a convenient and easy way of obtaining a BB while supporting a channel migration strategy of encouraging access to services via online channels.

5. Independent Mobility Assessment

- 5.1 It makes sense to use the new BB assessment practices and procedures to act as a catalyst for the joining up with those other locally administered benefits and concessions in Havering, such as Disabled Freedom Passes, Taxicard, social care and adaptations in the home (rather than the existing situation in which a separate assessment is required for each scheme). The proposed "joint assessments" will reflect good practice due to strong customer service benefits, and deliver

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significant cost savings to the council. The development of a central database (within the CRM) is therefore critical.

- 5.2 The application of DTAs, and if required Independent Mobility Assessments (IMAs) by occupational therapists will ensure that a fair and equitable service is received by all applicants.
- 5.2 DTAs will be used to filter applications by approving applications from “automatic” recipients, and refusing inappropriate applications - thus eliminating significant costs.
- 5.3 It is estimated that there will be 2,500 new applications each year and 1,500 renewals – making a total of 4,000 cases.
- 5.4 Annually, it is likely that of the total BB applications; 30% (approximately 1,200) will be received from “automatics”; and the remaining 70% (approximately 2,800) from “discretionarys” i.e. requiring an initial DTA. Of these 2,800, it is likely that 25% (700) will be considered borderline and will require an IMA. Thus, based on current trends, approximately 2,800 DTAs (an average of 11 per work day) and 700 IMAs (an average of three per work day) will be required to be performed each year.
- 5.5 The market rate for an IMA is approximately £30 (including the profit margin). To fund these assessments, the Occupational Therapy unit within Customer Services will be credited with £10 for every DTA and £25 for every IMA carried out. Appeals will be undertaken by another occupational therapist within the team carrying out a second IMA; and will be final.
- 5.6 It is planned to introduce similar DTA and IMA arrangements for Taxicard and Disabled Freedom Pass schemes as soon as possible, including funding for assessments to Customer Services.

6. Funding for Mobility Assessments

- 6.1 To deliver approximately 2,800 DTAs and 700 IMAs each year will require funding in the order of £45,500. The Department for Transport has informed all local authorities that the monies previously used to fund PCTs to pay General Practitioners for every assessment (£25.12) is now included within the Adults’ Personal Social Services (PSS) specific revenue grant funding. The component of the BB funding from the Learning Disability and Health Reform Grant for LB Havering is £27,300 (2011/2) and £27,800 (2012/3). This will be topped up with surplus monies from the application fee, less the fees to Northgate (approximately £21,600, see paragraph 2.3).

7. Communication and Websites

- 7.1 There are many residents who are currently BB holders or are about to make an application. In order that these residents are fully briefed, communication shortly to be received issued from the DfT will be adapted and issued via the local media and the Living in Havering magazine. This will include Frequently Asked Questions, and a quote from the Minister for Transport.

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- 7.2 Application forms and guidance notes will be available for collection from the PASC, and via Royal Mail. Increasingly, IT-literate respondents are keen for more information to be made available on websites to enable them to research the scheme and directly download application forms. Less IT-literate respondents will ask family members, friends or carers to find them information on the internet whenever necessary.
- 7.3 This underlines the importance of providing good information about the BB scheme which is easily accessed via the internet. It is essential that there is a high level of detail and clarity of the information available to residents is made available on the DirectGov and LBH Blue Badge web pages – within “two clicks”. The existing web pages will be revised accordingly.

8. Use of the Blue Badge in Havering

Council Owned Car Parks

- 8.1 The primary consideration for disabled customers is that there are designated parking spaces available to access locations, conveniently located to local amenities with suitable routes (i.e. without physical obstructions) to and from the car park. Within its car parks portfolio, the Council provides approximately 110 spaces allocated for Blue Badge holders only to use. In addition, the BB holders may park in normal car parking bays. Discretionary BB holders pay the normal tariff (e.g. £1.50 for three hours), however automatic BB holders may park free of charge for the first three hours.
- 8.2 To aid this, automatic BBs have a small sticker placed on the BB by Havering’s BB team. The new national BB being manufactured and posted to the resident direct by Northgate removes the opportunity for Havering Council to “mark” the BBs and differentiate between automatic and discretionary badge holders’ cars. Consequently, within Havering the ‘automatic’ BB holders will need to be provided with a sticker, at the time of application, which they will need to attach to their BB when they receive it in order that they may continue to park free of charge for the first three hours in the Council’s car parks. Havering is one of a very small number of London Boroughs (3) to retain free parking for its most disabled residents.

REASONS AND OPTIONS

Reasons for the decision:

The decision to implement the Blue Badge Improvement Service (BBIS) has been taken to meet the requirements of Blue Badge Reform Programme announced by Norman Baker (Parliamentary Under-Secretary of State for Transport) on 14th February 2011.

The Blue Badge Scheme Local Authority Guidance (England) issued by the Department for Transport in June 2011 confirms that the Government intends to increase the maximum fee that a local authority may charge for the issue of a BB to £10. This sum will help fund the administrative and other processes required in providing secure BBs.

Other options considered:

As it is a statutory requirement to implement the BBIS, no other options were considered.

IMPLICATIONS AND RISKS

Financial implications and risks:

The Department for Transport (DfT) are meeting all the capital costs for the Blue Badge Improvement Service (BBIS).

A financial summary of the revenue position is provided below:

Estimated Income (2012/13)	£
Learning Disability & Health Reform Grant (non ring fenced, however assumed to be applied)	(27,800)
Blue Badge charges to successful applicants (£10 x 4,000)	(40,000)
Income from Taxicard budget for solely Taxicard assessments (£10 x 500)	(5,000)
	(72,800)
Estimated Expenditure (2012/13)	
Blue Badge manufacture charge to Northgate (£4.60 x 4,000)	18,400
Desk Top Assessments for “discretionary applications” (£10 x 2,800)	28,000
Independent Mobility Assessments (IMA) for “discretionary applications” (£25 x 700)	17,500
Contingency for extra administrative duties (e.g. inputting into the BBIS database), external communications, printing and production of the stickers for ‘automatic’ BB holders, IMAs of unsuccessful applicants etc.	8,900
Existing Administrative Cost, base budget	68,000
Net Cost of Service	68,000

Thus it can be seen that the net cost of the service should be containable within current budgets. The use of occupational therapists for IMAs provides a control over costs.

There may be savings to the council as a result of Taxicard applicants being refused on the basis of a Blue Badge assessment.

Legal implications and risks:

The BB Schemes were first introduced by virtue under the provisions contained in section 21 of the Chronically Sick and Disabled Persons Act 1970. Regulation 6 of the Disabled Persons (Badges for Motor Vehicles)(England) Regulations 2000 currently sets the fee (if any) at which the Council may charge for the issue of a BB.

The Blue Badge Scheme Local Authority Guidance (England) issued by the Department for Transport in June 2011 confirms that the Government intends to increase the maximum fee that a local authority may charge for the issue of a BB to £10.

The guidance also confirms that only successful applicants should be asked to pay the fee and that the fee may also be charged for replacement badges whether they are lost, stolen or illegible.

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The Council has entered into an Access Agreement to join the Framework Agreement established by the Department for Transport and Northgate Information Solutions UK Limited.

Human Resources implications and risks:

Customer Services' occupational therapists will be undertaking independent mobility assessments at the PASC. The number of IMAs carried out each year will influence whether additional resources will be required. If there are additional resources required, the request will be made in accordance with Council procedures etc.

Equalities implications and risks:

The DfT has developed the reform programme in consultation with disabled people, local authorities and other stakeholders; and conducted a full Equality Impact Assessment (EIA) into the introduction of the BBIS.

The new application process for a BB and the more sophisticated production of the BBs is designed to reduce fraud and misuse.

BACKGROUND PAPERS

Further detailed information regarding the BBIS can be found via the following link:
<http://www.dft.gov.uk/topics/access/blue-badge/reform-of-the-blue-badge-scheme>

Chronically Sick and Disabled Persons Act 1970

Disabled Persons (Badges for Motor Vehicles)(England) Regulations 2000

The Blue Badge Scheme Local Authority Guidance (England) June 2011

Access Agreement to join the Framework Agreement established by the Department for Transport and Northgate Information Solutions UK Limited.

Model Blue Badge Application Form

Desk Top Assessment matrix

Local Authority Circular (England) - Changes to the Disabled Persons (Badges for Motor Vehicles) (England) Regulations 2000