

AGENDA MANAGEMENT SHEET

Name of Decision Maker **Portfolio Holder (Adult Social Care)
Decision Making Session**

Date of Decision-not before **21st October 2011**

Report Title **Revisions to the Blue Badge Scheme**

Summary

From January 2012, the Department for Transport is changing the way blue Disabled Parking badges are issued and charged for.

The purpose of the change is to introduce new and improved systems with on-line access which will speed up the process for those with continuing entitlement whilst at the same time increasing the security of the card design and tightening the checking processes where needed to reduce the possibility of fraud. However, the costs of administering the new scheme will rise as a consequence and the Department of Transport are increasing the maximum charge that Councils can set for provision of a badge to eligible people from £2 to £10.

Warwickshire will need to review the efficiency and effectiveness of administration and enforcement of the blue badge processes and will do this within the cost envelope of the charging income. There are currently 11,000 applications a year and around 30,000 badge holders in total. Within this current number, there is likely to be a significant amount of fraudulent use. The greater degree of security in the new processes will reduce this considerably. In addition, district and borough councils are considering implementing charges in their own car parks which need to be integrated into the management system and could also have an effect on the demand for blue badges. .

**For further information
please contact:**

Ron Williamson,
Head of Communities and
Wellbeing
Tel: (01926) 742964
ronwilliamson@warwickshire.gov.uk

Adrienne Bellingeri
Customer Contact
Manager
Tel: (01926) 412970
adriennebellingeri@warwickshire.gov.uk

Would the recommended decision be contrary to the Budget and Policy Framework? No.

Background papers None

CONSULTATION ALREADY UNDERTAKEN:- Details to be specified

- Other Committees
- Local Member(s) N/A
- Other Elected Members Cllr Caborn, Cllr Rolfe and Cllr Tooth
- Cabinet Member Cllr Izzi Seccombe, Cllr Wright
- Chief Executive
- Legal Victoria Newbold
- Finance John Betts
- Other Strategic Directors
- District Councils
- Health Authority
- Police
- Other Bodies/Individuals

FINAL DECISION YES SUGGESTED NEXT STEPS: Details to be specified

- Further consideration by this Committee
- To Council
- To Cabinet
- To an O & S Committee
- To an Area Committee

Cabinet Portfolio Holder (Adult Social Care) Decision

Revisions to the Blue Badge Scheme

Recommendations

1. That the Portfolio Holder approves an increase in the charge for issuing Blue Disabled Parking Badges to £10, from 1 January 2012 subject to the introduction of new legislation by the Department of Transport prior to that date.
2. That the Portfolio Holder notes that the operation of blue badges will be initially commissioned by Adult Social Care with the Customer Service Centre within the net income available from badge holder applications.
3. That an immediate review is undertaken to ensure that implementation of new processes around blue badge administration are as efficient in the use of resources, and that collaboration with district councils is considered.

1. Introduction

- 1.1 The Disabled Parking Badge scheme was established in 1971 and nationally gives 2.5 million disabled people access to priority parking spaces enabling them to park close to where they want to go. The scheme is open to eligible disabled people irrespective of whether they are travelling as a driver or as a passenger. A standard badge is valid for three years.

The scheme provides a national range of on-street parking concessions to Blue Badge holders. It allows them to park without charge or time limit in otherwise restricted on-street parking environments, and allows them to park on yellow lines for up to three hours, unless a loading ban is in place. There are also concessions available for use of public transport if the holder is under the age of 60.

- 1.2 Currently each local authority issues its own badges and it is their responsibility to ensure that badges are only issued to residents who satisfy one or more of the eligibility criteria set out in the legislation that governs the scheme. However, each authority has their own interpretation of this.

- 1.3 The Department for Transport (DFT) is **replacing the current Disabled Parking Badge Scheme**. The Blue Badge Improvement Service (BBIS). This will enable disabled people to apply for and renew badges quickly and easily, help local authorities operating the scheme to deliver more effective services, standardise how eligibility is measured, cut down on fraud and abuse, and supply a new design of the Blue Badge itself.

The new scheme will be introduced from 1 January 2012 and as of that date local authorities will only be able to legally issue the new design blue badge because the existing contract will expire. Systems need to be put in place to ensure that the Council can comply with the new requirements and a project board was established to drive this forward.

2. The Blue Badge Improvement Scheme

- 2.1 The existing blue badge scheme is administered by authorities with responsibilities for adult social care. Since its introduction, although the criteria have been laid down nationally, operational processes have been determined locally. The proportions of badges in circulation can therefore differ significantly.

- 2.2 In line with the tightening of resources across all areas of public service, the Government through the Department of Transport have reviewed the scheme. The forecast for growth in population of elderly people would normally lead to a proportionate rapid increase in numbers of badge holders which would be unsustainable for the future. There is evidence of considerable fraud and misuse of badges which is costly to local authorities while at the same time the Government wishes to ensure that it is both targeting resources to those most in need and in some cases widening the criteria to new groups.

- 2.3 The new Scheme which will be introduced from 1st January 2012 and will consist of the following:

- A national database of blue badges which will make checking the validity of badges by parking enforcement officers much easier. A national contract has been awarded to Northgate Information Solutions
- A new application 'form' with stricter criteria and eligibility tests. This will be available on-line through the DirectGov website or through local authority offices/service outlets etc. Applicants who satisfy eligibility for a mandatory badge will not have to complete any more than at present but those applying for a discretionary badge, will have to provide more detailed answers. This more thorough assessment will ensure the right people are issued with badges and help to reduce fraudulent claims.
- Supporting evidence will be required to satisfy verification checks carried out by local authority staff. This process could be seen as the responsibility of the applicant, as in applications for benefits or passports.
- Budgets are being transferred by PCTS to local authorities to pay for mobility assessments. These were previously the responsibility of local GPs but will now be undertaken by occupational therapists.

- New badges will be produced with much greater in-built security features which will significantly reduce the opportunity for fraud, including an encapsulated photograph, a barcode and a hologram device. A national contract has been awarded to Payne Security.

The greater level of verification, larger proportion of rejected applications, refunds and appeals will place additional requirements on administration processes. To help local authorities to cover the costs of issuing the new badges more appropriately and to enable the delivery of a new badge design, the Department for Transport needs to introduce new legislation to raise the maximum fee for a badge that local authorities can charge from £2 to £10. It is likely that this will take place during November 2011 so that the changes can come into effect from 1 January 2012 but it will be left to the discretion of authorities as to how much to charge.

- 2.4 Authorities are required to enter into agreement with the appointed contractor of the on-line systems, Northgate Information Solutions, by 30th September 2011 and to provide details at this time, or at the latest by 31st October 2011, as to the charges which will apply from 1st January 2012 so that these can be published on their website.

3. Current Blue Badge Services in Warwickshire

- 3.1 When the current blue badge scheme was introduced, administration was carried out by Social Services. This was transferred to the Customer Service Centre when this was established under previous reorganisations. Administration of blue badges is carried out within the Customer Service Centre by a team of 3.5fte staff. Only around 80% of staff time is spent on this activity with the remainder spent on answering calls from the public on other services such as libraries. Partial budgets for staffing moved at the same time while operating costs and income received remained with the Directorate. The current system comprises:

- A four- page form which is completed by the applicant and sent in for checking along with supporting evidence
- The Council's own database which is/is not accessible to others outside the CSC (including for enforcement)
- Badges are produced entirely in-house

- 3.2 The County Council issues around 11,000 badges pa with a total current database of around 30,000. The number of badges in circulation in Warwickshire is considerably above the norm and for comparison purposes, the rejection rate in Staffordshire is 25% compared to 0.3% in Warwickshire. There is also a much higher than average number of discretionary badges at 83% compared to 65% to 70% elsewhere. The assumption therefore is that validation checks are not currently being undertaken to an adequate extent at present.

Effective enforcement of the use of badges, once issued, is extremely difficult. Badges may be fraudulently obtained through application or illegal production of cards. In addition, they are supplied for the use of the applicant only but instead are commonly used by other family members even once the applicant is deceased.

Badges are placed in vehicles with the image of the disabled person hidden. In order to prevent misuse, officers have to apprehend the person concerned and carry out identity checks. Under present civil parking enforcement regulations a police officer has to be present if an illegally used badge is to be seized, this is expected to be changed in the future, when parking attendants are authorised to seize badges.

- 3.3 Enforcement of parking is split between the districts/boroughs for their own car parks and the County Council for on-street parking. Joint arrangements already operate in Stratford, Rugby and Warwick while new schemes linked to decriminalisation are being introduced to operate in the same way in Nuneaton & Bedworth and North Warwickshire. These functions operate alongside all other parking enforcement activities. Costs are funded through income and from issue of penalty charge notices at no additional cost to the County.
- 3.4 Overall costs of administration are in the region of £69k pa with income received of approximately £22k pa.

The unit cost of the process of issuing blue badges is currently approximately £5.95/badge comprising £5.35 for administration and only 60p for production of the badge itself. This is offset by the charge of £2, the maximum that can be charged under the existing scheme which means that the Council is subsidising the administration of the blue badge scheme by £3.95/badge. Cabinet has previously decided to eliminate subsidies for those who can afford to pay

4. Implications of the Changes within Warwickshire

- 4.1 New applicants will be subject to the new processes under the Blue Badge Improvement Scheme from 1st January 2012. However current badge holders will be affected at the point of renewal.
- 4.2 The on-line systems for application will enable people to verify the accuracy of their data prior to submission and for those with mandatory eligibility, the process will be streamlined and renewal should be more automatic provided that circumstances haven't changed. However, it is estimated that the percentage split will be 30% mandatory, 70% discretionary under the new Scheme. In the longer term, renewal should be easier for applicants where circumstances have not changed. In addition, the view expressed in response to the Department of Transport's consultations is that only 20% will use the on-line systems with 80% continuing to require paper forms. This will probably change somewhat over time as confidence in the new systems increases.
- 4.3 The production cost of the new secure badges is a considerably more and there will be a fixed price to all authorities of £4.60 /badge.
- 4.4 The requirements under guidance for verification are also considerably increased and especially so for those where further assessment (discretionary applicants) is required. A matrix will be operated which will assist in identification of the need for

mobility assessment. Under the guidance, there is an expectation on local authorities that the assessment process will be undertaken by occupational therapy staff and funding is being transferred from the NHS to provide for this. Warwickshire has received funding of £50k from NHS Warwickshire to cover the cost of the assessments to be carried out in adult social care through occupational therapy assistants. There is concern as to whether this funding will cover costs and to assist with the targeting the assessment and containment of, a decision matrix is being developed within the services.

- 4.5 If assumptions on processing methods continue in line with those currently in operation, then costs of administration costs would increase further as a result. However, Warwickshire is looking to streamline administration as far as possible and eliminate the subsidy in all its operations. Further consideration is given in Section 5.
- 4.6 Even if administration costs can be maintained at the existing level, costs will be such that the new maximum charge can be justified. It is therefore recommended that the charge for issue of a blue badge at Warwickshire is set at £10. This is in line with all other councils consulted within the region.
- 4.7 In addition to the more stringent security within the new Scheme, several of the district/borough councils are currently considering proposals to introduce parking charges within their own car parks for blue badge holders. There is concern about the effects of these proposals is that they may simply result in increased on-street parking. Regulations prevent the County Council from following suit and imposing charges in areas controlled by parking meters. However, The new proposals under the new Scheme should enable enforcement to be easier, due to immediate access being available to the national database and increased powers to recover badges which can be proved to be misused.
- 4.8 Over time, the effects of the introduction of the new Scheme should be curtailment of the numbers of badge holders in the County. As part of the research prior to introduction of the Scheme, the benefit to essential users of blue badges in areas such as Warwickshire was estimated at around £470/year. The greater onus on the applicant to evidence need, the risk of detection for misuse and the introduction of charges for off-street parking should reduce the numbers but over a three year period when badges come up for renewal. Certainly during the introductory phase, there will be considerable administration of badge applications **(which are moving from a 4 page to a 20 page application)** which will then be rejected resulting in costs which cannot be recovered through income. Some allowance may still have to be made for this within the finances for the Scheme.

5. Proposals for Cost Containment and Charging

- 5.1 Adult social care will retain the responsibility for blue badges under the new Scheme. It should therefore retain the control of income, paying directly for the costs of the badges themselves and initially commissioning the administration of the process from the Customer Service Centre within the existing staffing levels and the cost envelope of the income from charging.

It will be for the CSC to review its processes of delivery but it could, for example, decide to work within the overall resources available through Warwickshire Direct. In this way and utilising district/borough staff, potential problems over the sharing of information might be avoided. Most importantly, Adult Social Care and CSC will undertake to provide the new Scheme within the budget currently available to it ie within current unit costs thus eliminating subsidy.

- 5.2 The concern about the deployment of occupational therapy resources can be avoided. Specific resources will be provided by Adult Social Care from within the £50k budget made available and access to this resource will be controlled by the use of a matrix which will be set at a level to avoid unnecessary assessment.
- 5.3 It is proposed that arrangements be established to administer the new Blue Badge Scheme within the confines of the existing budget as set out in 5.1 and 5.2 above. A full business process review will be undertaken at the end of the first year of operation with the aim of achieving further efficiencies in operation.

6. Equality Impact Assessment

- 6.1 No formal consultation with cardholders has been necessary on this change as this is a national change which follows a wide consultation exercise undertaken through the Department of Transport. Once decisions have been made, however, a campaign to publicise the changes will be established with information made available on the Council's website. This will ensure that applicants have sufficient notice of the changes.
- 6.2 A national EIA has been undertaken for the introduction of the new Scheme. The Corporate Equalities & Diversity Manager has agreed that this is satisfactory for the purposes and copy is attached as Appendix 1.

Report Author: Ron Williamson – Head of Communities & Wellbeing/
Adrienne Bellingeri – Customer Contact Centre Manager

Head(s) of Service: As above, Kushal Birla – Head of Customer Service

Strategic Director(s): Wendy Fabbro – Strategic Director, Adult Health &
Community Services
David Carter – Strategic Director, Resources Group

Portfolio Holder(s): Councillor Mrs Secombe, Councillor Wright

October 2011