

Individual Cabinet member Delegated Decision

COUNCILLOR **John Noeken**
CABINET MEMBER FOR **Transformation & Resources**

OFFICER CONTACT: Jacqui White, Transformation & resources
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REFERENCE: R-001-11

Reform of Blue Badge Scheme

Purpose of Report

1. To request approval to charge a fee of £10.00 for the provision of a Blue (disabled) Parking Badge.

Background

2. The Government announced on 14th February 2011 a major programme of reforms to the Blue Badge scheme. The reform programme has been developed in consultation with disabled people, local authorities and other stakeholders, and on the basis of research and economic analysis. These changes come into effect on 1st January 2012.
3. The reforms have been introduced to respond to future challenges and help ensure that disabled people have fair and equal access to the benefits the concession offers, regardless of where they live. Current problems identified by government include high levels of abuse and misuse of badges, increasing demand for badges and pressures to extend eligibility, inconsistent administration and assessment and inefficient service delivery by some local authorities.
4. The main measures that are being introduced are:-
 - i) Implement a new badge design that is harder to copy, forge and alter. This includes changing arrangements for printing, personalising and distributing badges to prevent fraud from happening in the first place;
 - ii) Amend primary and secondary legislation to provide improved powers for local authorities to tackle abuse and fraud;

- iii) Transfer control of eligibility assessment funding from the NHS to local authorities;
 - iv) Amend legislation to require wider use of independent mobility assessments to determine eligibility, including where previously that assessment was carried out by a GP;
 - v) Extend eligibility to more disabled children under the age of 3 with specific medical conditions;
 - vi) Provide continuous automatic entitlement to a badge to specific severely disabled service personnel and veterans;
 - vii) Establish with local authorities a service improvement project that will deliver operational efficiency savings, help to reduce and prevent abuse and improve customer services. The project will also deliver an on-line application facility and should result in faster, more automatic renewals for people whose circumstances do not change between renewal periods;
 - viii) Raise the maximum fee for a badge that local authorities can charge from £2.00 to £10.00;
 - ix) Enable disabled Armed Forces personnel and their families posted overseas on UK bases to apply for a badge;
5. Wiltshire Council reviewed its Blue Badge process in January 2008. As a result the decision was taken to remove the £2.00 fee since the cost of processing the fee outweighed the income generated. In addition, a full end to end process review was undertaken which improved the service to the customer whilst maintaining standards that met DfT requirements.
6. The main changes affecting Wiltshire Council are the way that the Blue Badges will be generated in the future. All badges will be produced centrally by government and sent to the applicant.
7. In addition government are encouraging councils to use the government's centralised database and their standard application form to enable increased fraud checking. The Wiltshire Blue Badge Team has evaluated these options and intends to use the government's database and application form. The current access database is overdue for replacement and the government application form is thorough and incorporates many of the council's current questions.

The centralised government database will provide:-

- i) secure printing, supply and distribution of badges; the badge will be harder to copy and to forge and the physical security features of the badge will be enhanced, with the use of new technologies and printing techniques.
- ii) a common store of key information on badges and badge holders to enable verification checks to be made quickly and easily, either from a PC or possibly via smart phones or similar technology;
- iii) a web-based management information system for local authorities;
- iv) a standard on-line application form.

8. **Changes to enforcement powers**

8.1 The government will be extending grounds available to local authorities to refuse to issue including, providing local authority authorised officers with a power to recover, on-the-spot, badges that have been cancelled or misused.

In addition the existing legislation will be amended to clarify wrongful use of a badge and the powers to inspect badges and new powers will give local authorities the ability to undertake more effective enforcement activity should they wish to do so. The intention of these changes will result in the greater availability of parking spaces, protecting the scheme for genuine badge holders who have the most need.

9. Changes to the fee

9.1 Under current legislation, local authorities can charge a badge fee of up to £2.00 for those whose applications are successful. This fee is payable on issue of a badge (not on application) and has not changed since 1983. The legislation will be changed so that local authorities can charge successful applicants up to a maximum of £10.00. It will still be for local authorities to decide the fee that will be payable locally.

9.2 However the government are charging the local authority a mandatory flat fee of £4.60 per badge.

In addition to the new mandatory charge of £4.60 per badge, there are additional costs to the Council of processing payments such administration time to scan in photos electronically, buying stocks of spare clocks (customers occasionally lose them), returning incomplete forms and checking information and staff overhead time and costs to deliver this.

9.3 There are also 2 other optional services that local authorities can take up:

- i) Data Entry Support Service (DESS), which is essentially outsourcing the task of entering application details onto the central database – This is at a cost of £4.96 per application. (Note: this is simply data entry)
- ii) Details Update Support Service (DUSS), which is similar to the above but refers to updating changes in circumstances – At a cost of £2.68 per application.

The Blue Badge team have evaluated these other services and will not be utilising them at this stage.

10. Consultation

10.1 The reform programme has been developed by the government in consultation with disabled people, local authorities and other stakeholders, and on the basis of research and economic analysis.

10.2 Checks have been made with surrounding authorities on the charges they intend to make. The findings are below:-

Authority	Current charge for	Proposed charge for Badge Jan 1st	Status of council approval to charge new rate
BANES	No charge	No information	Decision will be made at the end of January 2012
Cornwall	£2.00	£10.00	Awaiting formal approval
Devon	No charge	Awaiting decision from members	None
Dorset	£2.00	£10.00	Approved
Gloucestershire	£2.00	£10.00	Awaiting formal approval
Hampshire	£2.00	£10.00	Approved
Somerset	£2.00	Consultation with members – deadline 15 th January	None
Swindon	£2.00	£10.00	Awaiting formal approval
Surrey	£2.00	£10.00	Approved

11. Options Considered

11.1 Evaluation of the government's database and application form has demonstrated that this can be used by Wiltshire to satisfy the current excellent service we provide. In addition it offers the opportunity for us to gain from the fraud and other centralised checking services. Historic information will need to be retained on the existing database until the expiration of the badges in three years. After that time the Council will not need to maintain a database and the associated licence and running costs.

11.2 Councillor John Thomson, The Cabinet Member Deputy Leader and Cabinet Member for Adult Care, Communities and Housing has lobbied the government about these changes and the increased charge. Whilst his points have been listened to, the government is continuing to roll out the new badges and process for the production of the badges which means that Wiltshire will be required to comply and consequently increase its costs.

11.3 The Council are not able to refuse to comply with the new government arrangements for the provision of badges since these are mandatory and the new badges can only be issued through the government's supplier Northgate.

11.4 The Council could continue with its policy of not charging for a Blue Badge however, in the current financial climate it is not possible to absorb the additional mandatory charge by government to the Council of £4.60 per badge and the additional processing times.

12. Reason for Decision

12.1 It is necessary for the Council to make a decision on whether to charge for the Blue Badges. The information on this change to the service arrived after the budget setting process was completed and will be in place before the completion of the next budget round. A formal decision to charge is, therefore, necessary.

INTENTION TO MAKE DECISION

Following consultation with officers I give notice that I intend to make the decision set out in the attached report (usual cabinet report template). If you would like to make any representations to me on this issue please do so by _____ (DS will insert the date which will be 5 working days from date of publication).

The following supporting documents have been referred to in the preparation of the report:-

<http://www.dft.gov.uk/topics/access/blue-badge/reform-of-the-blue-badge-scheme/>
[Blue Badge reform programme - frequently asked questions](#)

The following supporting documents are available from the officer named above:
Jacqui White 01225 713013

Cabinet member: John Noeken

Cabinet Member contact details:
John.Noeken@wiltshire.gov.uk
Tel: 01980 590380

Date

The Blue Badge Service – Costs

Appendix 1

The following information is based on a **WHOLE LIFE cost per badge** and includes costs for fast track, replacement clock, one change of circumstance.

CURRENT Blue Badge scheme - WC Blue Badges Team	Cost PER BADGE	REVISED Blue Badge scheme JAN 12 onwards - WC Blue Badges Team	Cost PER BADGE
Cost of badge (Blank badge, Clock, Tamper proof wallets)	£0.60	Cost of badge (produced by Payne Security) incl. clock wallet	£4.60
Spare Leaflets and Clocks (estimate 200) included in above)	N/A	Spare Leaflets and Clocks (estimate 200)	£0.41
Fast-track Badges (for urgent cases - estimate 50 per year) staff costs	N/A	Fast-track Badges (for urgent cases - estimate 50 per year) staff costs	N/A
Fast-track Badges (for urgent cases - estimate 50 per year) northgate charge	£0.00	Fast-track Badges (for urgent cases - estimate 50 per year) northgate charge	£2.58
Postage	£0.72	Postage	£0.60
Printing (letters,application forms and badges0.55) *	£0.22	Printing (Letters and forms (no badges)) *	£0.35
Staff Costs:		Staff Costs:	
Making up badges (includes sticking photo onto badge)	£0.50	Admin of photos (receiving badges, electronic scanning, cross referencing, validating, saving and transmitting to Northgate)	£0.50
Inputting new application data onto WC database INCLUDING Assessment**	£2.80	ONLY Inputting new application data onto national database only 22 page form)**	£2.80
		Assessment **	£4.70
Inputting change of circumstance data onto existing database	£0.93	Inputting change of circumstance data onto existing database	£0.93
Payment admincosts Blue Badge team time (currently no charge)	N/A	Payment admin costs Blue Badge team time	£1.22
Payment admin costs central finance team (currently no charge)	N/A	Payment admin Cash Receipting team 81p per card transaction and 96p per cheque transaction	£0.81
Processing charges	N/A	22p per transaction for a debit card & 1.8% for credit card i.e. if £10 charge then 25p., £2.00 for a cheque.	£0.22
WHOLE LIFE cost of badge	£5.77	WHOLE LIFE cost of badge	£19.72
BASIC cost of badge (minus fast track replacement clock and change of circ)	£4.84	BASIC cost of badge (minus fast track replacement clock and change of circ)	£14.99
cost of Replacement Badge (lost or damaged by customer)	£0.00	Mandatory charge for lost or stolen badge treated by government as new badge	£4.60

Anticipate a higher cost initial cost on printing forms as our existing forms are 4 pages. The new forms are 22 pages! That said, the new online facility should see a reduction in form requests but it is difficult to predict how much of a reduction bearing in mind that many of these customers are vulnerable and need assistance and the time it will take for people to migrate to that method. To offset this we will not have to print badges any more and in 3 years time, we won't have to print renewals letters. Therefore any real savings will not materialise for about 3 years

Northgate will only provide certain aspects of the Blue Badge process there is not a fully outsourced solution. The assessment, checking of the photo against individual etc all has to be managed by the LA

** the variation of the assessment time is down to an estimated increase in staff time to assess. The new application form is 22 pages (Current WC form 4 pages) with a greater level of checking and information required; e.g. We now have to verify address details from Council Tax records. It is anticipated that assessment time will increase from 10-15 mins to 25 mins per badge.



**From the Parliamentary
Under Secretary of State**

Local Authority Leaders
Cc Local Authority Chief Executives

Department for
Transport

Great Minster House
76 Marsham Street
London SW1P 4DR

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September 2011

Dear Local Authority Leader,

**The Government's Blue Badge Reform Programme: Blue Badge
Improvement Service**

Following on from my letter in February 2011, I am writing to ensure that you are kept aware of progress with delivering important reforms to the Blue Badge Scheme, in particular with respect to the Blue Badge Improvement Service.

Since I last wrote to you, we have carried out a competitive procurement to contract a supplier to work with Local Authorities to develop and implement the Blue Badge Improvement Service (BBIS). In May, we appointed Northgate Public Services to deliver the BBIS in partnership with Payne Security who will print and supply the new badge design.

The key outcomes of the BBIS will be a central database of all Blue Badges on issue, the secure printing, personalisation and distribution of the new Blue Badge design and on-line applications and payments via Directgov. These outcomes will help to improve operational efficiency, reduce costs and improve customer services. They will also prevent fraud and abuse of the scheme and ensure that the concession is targeted fairly and sustainably.

BBIS is being delivered using an innovative funding model. Northgate and Payne are investing the necessary capital to ensure the system is built and implemented, in return for a charge per badge issued for the duration of the contract. Local Authorities will pay Northgate directly, and all will pay the same unit price that has been fixed for 5-years.

During June and July, we ran workshops in England, Scotland and Wales to explain in more detail the scope of BBIS, to discuss what is needed over the next few months by way of preparation and change management; and to show how the system and the new badge might look.

These workshops were well attended and the feedback we received was very positive. The Local Authority representatives who attended will now be making preparations for the changes in service delivery. We are in the process of amending legislation that will mean the new badge design is the only one that can be legally issued by Local Authorities from 1 January 2012 to all new applicants, those renewing and those replacing badges, and to raise the maximum fee that Local Authorities are able to charge for a badge to £10.

It is important that you are aware of the responsibilities for the Blue Badge service in your Local Authority, and that they are hopefully taking the following recommended steps to ensuring the successful delivery of this important business change:

- Reviewing current Blue Badge process to agree how BBIS will be adopted by the LA.
- Review of charging policy. In England, Local Authorities will be able to charge successful badge applicant up to a maximum of £10 per badge for badges issued with a start date of 1 January 2012. The cost to Local Authorities of the new badge, along with the parking clock, the information leaflet, second class postage and access to all the other BBIS services is £4.60 plus VAT. The fee is being raised to £10 to cover this cost, and also other administration costs associated with processing applications.
- Consideration of how the BBIS will fit in with existing systems and whether any integration is required. The Blue Badge team may require support from IT departments.
- The DfT has signed an overarching agreement with Northgate and each individual LA has to sign an Access Agreement with Northgate. These have all now been issued and will require an authorised signatory to sign the agreements.

Please share this information with all colleagues involved in the administration or enforcement of the Blue Badge scheme and support them

through the next few months as they prepare for change. I appreciate your support in delivering a more effective and much improved scheme.

I am copying this letter to Local Authority Chief Executives.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Norman', written in a cursive style.

NORMAN BAKER

John Thomson
Deputy Leader of the Council

29 September 2011

Norman Baker MP
Parliamentary Under Secretary of State for the
Department of Transport
Great Minster House
76 Marsham Street
London
SW1P 4DR

Cabinet Office
Wiltshire Council
County Hall
Bythesea Road
Trowbridge
Wiltshire
BA14 8JN

Your ref:
Our ref: jt/cc/002.11.mp

Dear Mr Baker

The Government Blue Badge Reform Programme: Blue Badge Improvement Service

I write in response to your letter dated September 2011 regarding the government's Blue Badge Reform Programme.

I am concerned that at a time when government have decided to devolve responsibility to local government and require us to remove £32 million from our budgets in a drive for efficiency we are faced with an expensive and cumbersome change to the Blue Badge system.

Wiltshire carried out a lean review of its blue badge system some years ago and in doing so it reviewed all aspects of the system including the application and assessment process, the payments process and how we worked with the GPs. In doing so, the council saved the PCT £56k per year and removed £120k from internal costs. A key benefit for the customers was the dramatic reduction in turnaround times and often resolution on first point of contact.

The new system builds cost back into the system and in addition, increases cost and waiting time for the customer. The hybrid 'hand -off' system between the council, Northgate and its partner Payne Security will build in waste and delay. The changes in the process whilst building checks for fraud into the system, assume that there are high levels of blue badge fraud in all areas of the country and that a centralised system is the best way of dealing with that. Instead it has built in additional cost for both the customer and the council.

I attach a spreadsheet prepared by our officers which shows that the basic cost of a badge has increased from £4.84 to £15.02. The council will not only lose money in following the new process but more importantly, where we have previously not charged for a badge will now need to recover the full £10.00 in order to cover our costs.

2 –

I would request that, even at this late stage the government consider ceasing this process and returning the issuing of blue badges to the local authority.

Yours sincerely

John Thomson
Deputy Leader and Cabinet Member for Adult Care, Communities and Housing

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Fax Number: 01225 713089
Email: john.thomson@wiltshire.gov.uk

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John Thomson
Deputy Leader of the Council

29 September 2011

Claire Perry MP
James Gray MP
Duncan Hames MP
Andrew Murrison MD MP
John Glen MP

Cabinet Office
Wiltshire Council
County Hall
Bythesea Road
Trowbridge
Wiltshire
BA14 8JN

Your ref:

Our ref: jt/cc/007.11.mps

Dear

The Government Blue Badge Reform Programme: Blue Badge Improvement Service

I write in response to the letter dated September 2011 received from Norman Baker, Parliamentary Under Secretary of State for the Department of Transport regarding the government's Blue Badge Reform Programme which I attach.

I am concerned that at a time when government have decided to devolve responsibility to local government and require us to remove £32 million from our budgets in a drive for efficiency we are faced with an expensive and cumbersome change to the Blue Badge system.

Wiltshire carried out a lean review of its blue badge system some years ago and in doing so it reviewed all aspects of the system including the application and assessment process, the payments process and how we worked with the GPs. In doing so, the council saved the PCT £56k per year and removed £120k from internal costs. A key benefit for the customers was the dramatic reduction in turnaround times and often resolution on first point of contact.

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I would request that, even at this late stage the government consider ceasing this process and returning the issuing of blue badges to the local authority.

Yours sincerely

John Thomson
Deputy Leader and Cabinet Member for Adult Care, Communities and Housing

Direct Line: 01225 718577
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Encs



From the Parliamentary
Under Secretary of State



Department for **Transport**

Great Minster House
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Web site: www.dft.gov.uk

Our Ref: MC/16487

John Thomson
Deputy Leader of the Council
Wiltshire Council
County Hall
Bythesea Road
Trowbridge
Wiltshire
BA14 8JN

19 October 2011

Dear Councillor Thomson,

Thank you for your letter of 29 September, about the Government Blue Badge Reform Programme.

The Reforms being implemented are the first since the Blue Badge scheme was introduced in 1971. They were developed following consultations in 2008 and 2010, and workshops with local authority officials, disabled people and other experts. There has been overwhelming support from local authorities for a major overhaul of the scheme to address the many challenges they face. The Blue Badge scheme is a vital service for severely disabled people and there is a need to reduce abuse and prevent fraud, improve consistency and customer service and to ensure the scheme is sustainable in the future. As the scheme provides a national concession and badge holders can use badges anywhere in Great Britain, the most effective way of implementing the reforms is if everyone involved acts together, and we are pleased that local authorities and the Scottish and Welsh Governments have been working closely with us to achieve common aims.

Amongst other reforms, local authorities asked us to introduce a new, more secure badge and to be able to share key information about the badges and badge holders to help enforce the scheme. They also asked for help in ensuring that more robust assessment processes were in place at application stage to ensure applicants comply with the eligibility criteria, ensuring that those most in need receive a badge.

You feel that you do not have an issue with misuse and abuse of Blue Badges in Wiltshire. I would be surprised if this were true and would be interested to see any evidence you have to support this claim. The National Fraud Authority has estimated that fraud is costing up to £46 million per year in terms of lost parking revenue across England. Badges issued by one local authority can be used anywhere in the UK, and so it is important that robust and effective practices are in place, and that applicants are properly assessed to ensure they meet the eligibility criteria set out in the legislation.

I noted in my previous letter that the Blue Badge Improvement Service will 'go-live' on 1 January 2012. From that date, all local authorities will be required to issue the new-style badges, and these will no longer be able to be produced in-house because of the material they are to be printed on, the number of security features they contain and the need to establish a secure supply and distribution network.

Whilst you are right in stating the cost of the badge is £4.60, this cost is not purely for the badge. The £4.60 covers the cost of the badge along with the clock, the information leaflet, a covering letter to the applicant and postage. In addition, your local authority has access to the complete data sharing system that will prevent multiple and fraudulent applications; a system that will automatically verify some of the applicant's details; an on-line payment system; an enquiry support service; and on-line applications through Directgov. All of this is being provided at no capital cost to any local authority and I firmly believe this cost is fair and in proportion to the benefits that local authorities will accrue.

The new model application form was developed in consultation with local authorities, disabled people and healthcare professionals. It is designed to ensure that key information is gathered at application stage to inform a desk based, risk based assessment of whether or not an applicant needs a mobility assessment. My department will lay regulations later this month that will, from April 2012, require local authorities to carry out independent mobility assessments in more cases when a person's eligibility is in doubt.

The national on-line application form that will be available on Directgov from 1 January 2012 is being designed so that applicants will only need to complete relevant sections. If, for instance, they apply for a badge under the 'without further assessment' criteria, the form will be short as the information being requested will be minimal. Those applying under the 'with further assessment' criteria will need to supply more information

to enable an informed decision to be made by the local authority. Where a local authority has established that a successful applicant's condition is unlikely to change, the information requested at renewal time will also be minimal.

You request in your letter that I return the issuing of badges to the local authority. Local authorities have always been responsible for issuing badges within their areas and this situation will not change. The Blue Badge Improvement Service is simply putting in place a means by which local authorities can administer and enforce the Blue Badge scheme more effectively. The decision on whether or not a person should be given a badge will remain with the local authority. The local authority is also able to decide whether or not to charge a fee for a badge, up to the maximum of £10 that will be specified in regulations later this month.

Finally, I am delighted to hear that Wiltshire County Council has been one of the first local authorities to complete their Access Agreement and sign up to use the Blue Badge Improvement Service.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Norman Baker', written in a cursive style.

NORMAN BAKER

The Blue Badge Service – Costs

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BASIC cost of badge (minus fast track replacement clock and change of circ)	£4.84	BASIC cost of badge (minus fast track replacement clock and change of circ)	£15.02		
cost of Replacement Badge (lost or damaged by customer)	£0.00	Mandatory charge for lost or stolen badge treated by government as new badge	£4.60		

* Anticipate a higher cost **initial** cost on printing forms as our existing forms are 4 pages. The new forms are 22 pages! That said, the new online facility should see a reduction in form requests but it is difficult to predict how much of a reduction bearing in mind that many of these customers are vulnerable and need assistance and the time it will take for people to migrate to that method. To offset this we will not have to print badges any more and in 3 years time, we won't have to print renewals letters. Therefore any real savings will not materialise for about 3 years

** the variation of the assessment time is down to an estimated increase in staff time to assess. The new application form is 22 pages (Current WC form 4 pages) with a greater level of checking and information required; e.g. We now have to verify address details from Council Tax records. It is anticipated that assessment time will increase from 10-15 mins to 25 mins per badge.

Northgate will only provide certain aspects of the Blue Badge process there is not a fully outsourced solution. The assessment, checking of the photo against individual etc all has to be managed by the LA