

Item No.	Classification Open	Date: 12 October 2015	Meeting Name: Cabinet Member for Adult Care and Financial Inclusion
Report title:		Blue Badge Charging	
Ward(s) or groups affected:		All	
From:		Strategic Director of Housing and Modernisation	

RECOMMENDATION

1. That a £10 fee be charged from the 1 April 2016 for the issue of a Blue Badge for all successful new applications, renewals and replacements.

BACKGROUND INFORMATION

2. The Blue Badge scheme in England was established in 1971 and enables approximately 2.5 million disabled people retain their independence by allowing them to park close to leisure, employment or shopping facilities. Currently there are approximately 4680 Blue Badges on issue in Southwark.
3. Individuals can automatically qualify for a Blue Badge or if they do not automatically qualify can be assessed by the local authority if they have a permanent or substantial disability which means they cannot walk or their condition makes walking very difficult. Children under three may also qualify if the child has a specific medical condition.
4. The Government is responsible for the legislation setting out the eligibility criteria for a badge, the terms of the concession itself, the period of issue, fee and design of the badge, in addition to the enforcement framework. Most badges are valid for three years, except if it is tied to the period of receipt of the higher rate mobility component of the disability living allowance (HRMCDLA) or where the badge was replaced because the original was lost/stolen. The badge is for the holder's use and benefit only, either as a passenger or as driver.
5. In February 2011 the Department of Transport announced a major program of reforms to the Blue Badge scheme. The objective was to address problems specifically relating to fraud and misuse. The aim was to improve operational efficiency and customer service, and reduce costs.
6. In January 2012 a central national database (Blue Badge Improvement Service) was introduced, managed by Northgate Information Systems, and from that date all Blue Badges (new, replacement and renewed) were issued using the BBIS system, although the local authority retained the

responsibility for determining eligibility.

7. Previously, blue badges were issued by the local authority and were very easy to copy and forge. The new design uses sophisticated secure print technologies, including a hologram. A charge was introduced (borne by local authorities) to cover the cost of issuing the new badge – and this cost has been increasing over the last few.
8. To enable local authorities to cover costs, amendments to legislation were made to raise the maximum fee for a Blue Badge from £2 to £10. At the time the charge was not implemented by Southwark – however the current budget situation means that we now have to consider implementation of the charge.
9. The majority of neighbouring boroughs (for example Camden, Newham, Greenwich, Lambeth, Croydon and Bromley) have already implemented the £10 charge, and Lewisham is currently consulting on the proposal to implement a £10 charge.
10. A decision was made by Cabinet on 10 February 2015 (as part of the budget process) which was approved by Council Assembly on 25 February 2015 to introduce an administrative fee for Blue Badges to bring the council in line with other London boroughs. It is referenced on page 141 of Council Assembly agenda (Appendix J on proposed income generation, in the cabinet report).

KEY ISSUES FOR CONSIDERATION

11. The charge has been arrived at following consideration of a number of factors, including processing / issuing costs, volume assumptions and the impact the charge will have on the clients' ability to pay. The pricing strategy is commensurate with the charge introduced by central government a few years ago, and currently applied in most London boroughs.

Financial Implications

12. The Medium Term Financial Strategy (MTFS) and the corporate income policy require that:
 - Fees and Charges are set to a level, at a minimum, that is appropriate except where this is in conflict with council policy, would lead to adverse revenue implications or would impact adversely on vulnerable clients
 - Income generation is maximised by seeking income streams in line with council policies and priorities.
13. The council processed 662 successful new Blue Badge applications between 1 April 2014 and 31 March 2015 and 1907 renewals / replacements during the same period. This is a considerable cost to the

council.

14. The proposed charge of £10 per blue badge application is expected to generate an income stream approximately £26,000 per annum. This would help to offset the charge made by Northgate, in addition to covering some other operational costs (particularly in relation to anti-fraud measures) related to the processing and management of Blue Badge applications.
15. There are no further additional costs to the authority as part of this change.

Community impact statement

16. One of the key considerations in arriving at the charge was price sensitivity i.e., the impact that charge will have on the customers' ability to pay and the take-up of services.
17. Officers have given particular consideration as to how the decision sought in this report might affect individuals and groups having a protected characteristic under the Equality Act 2010, and have concluded that the adoption of the charge does not discriminate against any group in the community, either directly or indirectly.
18. An equality analysis has also been completed and an adverse impact was identified where the proposed charge is met by economically disadvantaged individuals who qualify for a Blue Badge. The fee is however low (£10 for a badge valid for three years) and badge users will benefit as a result of reduced levels of abuse due to improved fraud prevention meaning more parking spaces available, significant parking concessions, free parking in certain areas and a congestion charge discount.

Consultation

19. Full consultation was undertaken by the Department of Transport in regard to the charging proposals. The national findings showed that 68% of respondents supported an increase in the current £2 charge – which was agreed by government in 1983. When asked how much they thought would be a fair price, 59% thought it should be between £3 and £10, and 25% thought it would be fair to charge more than £10.
20. Southwark carried out its own telephone survey of current Blue Badge holders in September 2015, and 93% of respondents agreed that a £10 charge was reasonable.
21. An information briefing note will be included on the Southwark Council website, informing applicants of the rationale behind the implementation of the charge. This will include recent improvements in the service and the benefits of improving fraud prevention, which is a significant problem.

Combatting fraud and misuse will make more parking spaces available for those who are genuinely entitled to free parking.

Director of Legal Services (NBC/2015/09/02)

22. The Director of Law and Democracy notes that the Disabled Persons (Badges for Motor Vehicles) (England) (Amendment) (No.2) Regulations 2011 raised the maximum fee that local authorities may charge for the issue of badges from £2 to £10.
23. The Director further notes Section 149 of the Equality Act 2010 (“EA2010”) introduces a Public Sector Equality Duty (“the duty”) which requires local authorities to have due regard to the need to:
 - eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the EA2010;
 - advance equality of opportunity between people who share a protected characteristic and those who do not;
 - foster good relations between people who share a protected characteristic and those who do not.
24. In order to meet the duty, a public authority must embed equality considerations in everything they do. In setting fees and charges for badges and badge holders, the decision taker needs to have due regard to the duty to have due regard to the need to advancing equality of opportunity between people and this involves considering the need to:
 - remove or minimise disadvantages suffered by people due to their “protected characteristics”;
 - meet the needs of people with “protected characteristics”;
25. The term, “Protected characteristic”, is used within the EA2010 to describe those who are protected under the legislation. Within the EA2010 disability is included as a ‘protected characteristic’.

Financial implications

26. It is expected that this new fee will generate income of around £27k per year. This is only slightly lower than the budget of £29k established as a result of the 2015/16 budget setting process. As the implementation of the processes and procedures surrounding the fee are expected to take some time, no income will be generated during 2015/16. This is reflected in the division’s finance monitor.

Strategic Director of Finance and Governance (19DKz1516)

27. The Strategic Director of Finance and Corporate Services notes that this report follows on from the 2015/16 budget setting process during which a £29k additional income item for Blue Badges was approved by Council Assembly during February 2015.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
DfT document 'Changes to the Disabled Persons Badges for Motor Vehicles' November 2011 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/3253/blue-badge-local-authority-circular-nov-2011.pdf	160 Tooley St Se1 2TZ	Catherine Barfield Tel: 020 7525 50041
DfT 'Impact Assessment for Blue Badge' June 2011 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/3671/ia.pdf		
Policy and Resources Strategy 2015/16 to 2017/18: Revenue Budget		

APPENDICES

No.	Title
Appendix 1	Equality Analysis

AUDIT TRAIL

Lead Officer	Richard Selley, Head of Customer Experience	
Report Author	Catherine Barfield, Investigations Manager	
Version	Final	
Dated	12 October 2015	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		12 October 2015