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To: Cabinet – 5 December 2011

Subject: **BLUE BADGE REFORM**

Classification: Unrestricted

Summary:

This paper provides an update on the implementation of the revised Blue Badge Service. It advises on the work currently in progress to identify efficiencies which may be achieved by improvements to the new service.

The paper provides the costs associated with the service and the potential financial impacts when the Department for Transport removes funding in 2013/14.

The paper further provides a recommendation to increase the charge for a Blue Badge from £2 to £10 on 1 January 2012. The Badges are valid for 3 years.

Recommendations

Cabinet is asked to:

- i. **NOTE** the changes to the Blue Badge service as described in the report
- ii. **CONSIDER** and agree the future charging level for Blue Badges, based on the options set out in paragraph 6 (4)
- iii. **APPROVE** the Communication Plan as set out in Appendix A of the report

Introduction

1. (1) The Department for Transport's Reform Programme introduces a number of measures which aim to ensure that badges are issued fairly against a background of rising demand and that the scheme remains sustainable in the long term for those disabled people who rely on it in the most.

(2) On 1 April 2011 Kent County Council successfully launched a new process for issuing Blue Badges. This revised process was implemented to coincide with the transfer of Blue Badge funding from the NHS to Local Authorities, KCC received £162k.

(3) An interim review was completed on 30 July 2011, which enabled Families and Social Care (FSC) to review progress made and also to identify the areas for a formal review undertaken in September 2011 as a part of its ongoing commitment to support disabled people.

Policy Context

2. (1) The Blue Badge Scheme has been in place since the early 1970s and is based on the requirements of S 21 of the Chronically Sick and Disabled Persons Act, 1970. Since then, the demand for badges and pressures to extend eligibility has steadily increased. A review in 2007 highlighted several areas where improvements needed to be made to the administration of the scheme, the eligibility criteria and to prevent abuse. After further consultation, the Government published a reform strategy in October 2008 that included a number of commitments to ensure that the Blue Badge Scheme remains relevant.

(2) Following national consultation <http://assets.dft.gov.uk/consultations/dft-2011-20/blue-badge-consultation-response.pdf> the reforms to the Blue Badge program were set out in a letter to local authorities sent on 14 February 2011. The actions for Kent County Council were set out in a briefing to Cabinet Members on 4 April 2011. £162k funding was transferred to Kent County Council in April 2011 with a commitment to further funding for 2012/13 after which the service is expected to be self financing.

(3) The county council has been in contact with a number of neighbouring authorities, all of whom are planning to increase the charge for Blue Badge to £10 although the implementation date varies between January and March 2012. Consultation methodology amongst neighbouring authorities also varies, some are consulting widely on the changes, some are consulting only with people who phone for renewal of Blue Badge and others are not consulting.

The Blue Badge Service

3. (1) The revised Blue Badge service was implemented on 1 April 2011, people who request or renew a Blue Badge now contact KCC and if they meet certain eligibility criteria they may automatically be assessed as eligible for a Blue Badge or they may receive an independent medical assessment to determine eligibility at one of the Gateway's across Kent.

(2) KCC completed an interim review of the implementation of the revised service and made some changes in response to public need. Additional Independent Medical Assessors (IMAs) have been recruited and additional Gateway sites are now used to improve accessibility.

(3) The revised service was implemented using temporary staff as IMAs as it was anticipated that KCC would want to make changes in the way the service operates in order to ensure it is as efficient as possible. KCC now has a better understanding of the process and aims to reduce the IMA costs by undertaking more desk top assessments and adopting a trusted assessor model. This will require a registered Occupational Therapist or Physiotherapist to be based at

Contact Kent within the Blue Badge service but will reduce the number of IMAs overall.

Systems

4. (1) The Department for Transport (DfT) has commissioned a National Blue Badge Information Solution (BBIS) from Northgate. This system is intended to reduce multiple applications and to reduce fraud by linking to Payne's Security who will be responsible for production of the new secure badge.

(2) FSC has explored the options available in relation to the system, and has signed the access agreement for the Northgate system, this places any risk of failure with DfT (as commissioners). The expected date for implementation of the system is 1 January 2012, information on the system was published at the end of August 2011.

Consultation and Communication

5. (1) The county council is obliged to inform, consult and involve the public under the duty introduced by the Local Government and Public Involvement in Health Act 2002. This came into force as a statutory duty on all councils in April 2009.

(2) The policy of the authority and good practice guidance on consultation acknowledge that, there is a range of contacts between councils and its residents. The different types of engagement range from 'providing information' gathering opinions', 'making choices' 'generating options' and 'joint decision-making'. The planned changes relate to the cost of the Blue Badge service and the need for it to be self financing. This limits the ability for the public to influence the provisional decision and it is considered that 'providing information' is the appropriate level of consultation.

(3) Accordingly, a Communication Plan has been developed, which is attached as Appendix A. It is not possible to inform everyone who might apply for a Blue Badge of the increase in charges. Letters will be sent to all existing Blue Badge holders. There are 79269 existing badge holders and with printing and mailing the cost will be about £32k.

(4) The potential for media interpreting the increased charge as a further impact on people with disabilities has been identified as this coincides with the non residential charging increases. This potential has been discussed with the Communications Team to ensure that we have a clear message about why this increase is necessary.

Financial Implications

6. (1) KCC is currently charging £2 per badge which, based on 2009/10 activity provides an income of £45k. DfT transferred £162k from the NHS for 2010/11 and has committed to fund the service for 2012/13, after this the Blue badge scheme is expected to be subject to normal financial arrangements and no additional funding is allocated.

(2) With the change in legislation from 1 January, new secure badges will need to be issued at a cost of £4.60/badge. On current volumes, this will add £103,500 to the full year expenditure or £25,875 for a quarter.

(3) It is important to note that the current £2 charge is for administration of the present Blue Badge service including production of the badge, this charge is levied for all applicants whether they are successful or not. The £10 fee can only be levied if the applicant is successful and £4.60 of this will then be paid to the contractor for the production of the badge (which shifts from the LA). The remaining fee will cover the assessment and administration costs and any shortfall for these services will fall onto Kent County Council.

(4) The change in the legislation enables local authorities to raise the charge for Blue Badges from £2 to £10 from 1 January. This increase in charge will come at the same time as the first phase of increases in charges to those disabled people who contribute to the cost of their non-residential care services. The Blue Badge service is not subject to means testing and it does not fall within the meaning of community care services.

		11/12 Shortfall	12/13 Shortfall
Option 1	Continue charging £2	£177k	£246.5k
Option 2	Charge £10 from 1 January 2012	£132k	£66.5k
Option 3	Charge £10, from 1 April 2012	£177k	£66.5k

(5) Cabinet Members are asked to consider and decide between these options.

Legal Implications

7. (1) Cabinet's attention is drawn to the equality duties. As a public authority, Kent County Council is required to have regard to Equality Act 2010. In particular with reference to section 149 of the Act. Which provides that councils need to exercise it functions to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Equality Impact Assessment

8. (1) Department for Transport have completed an Equality Impact Assessment (Appendix B) for the national Blue Badge service improvements. Kent has completed an Equality Impact Assessment (Appendix B1) based on the service revisions made, this will be revised following amendments to the service to make it more efficient and cost effective.

Alternatives and options

9. (1) If the planned introduction of the increased Blue Badge fee is not approved this would put additional pressure of £246.5k onto the county council's budget from January 2012.

Risk and Business Continuity Management

10. (1) Blue Badge contacts and administration are managed within Contact Kent. Where a contact indicates that a person should receive an IMA the arrangements are made using Outlook calendar and therefore a date, time and place for assessment can be agreed with the person at point of contact.

(2) The Post Office are also interested in exploring how they might support Blue Badge applications further work is being undertaken through Access and Assessment to explore this however it is not clear how this would add value to the current arrangements.

Independent Mobility Assessments

(3) Independent Mobility Assessments (IMA) are undertaken by the equivalent of 4FTE agency staff working up to 37.5 hours per week at a cost of £197,800 per annum.

(4) There is a potential to develop a trusted assessor role within Contact Kent, an IMA will be based within Contact Kent to 'sign off' telephone assessments undertaken by Contact Kent staff in a Trusted Assessor role. The service has been running for 7 months and has provided considerable intelligence on how a more streamlined approach can be developed. Work is currently being undertaken to progress this.

Contact Kent

(5) The cost of contacts relating to Blue badges is £351,000 per annum; there has been an increase in contacts due to queries relating to the changed service, this is expected to continue as people apply for renewal of an existing badge.

(6) As part of the improvements to the Blue Badge service people can now apply for their badge up to 12 weeks. Before the changes, people had less than 6 weeks lead in time prior to the renewal date..

(7) The Blue Badge team comprises a Manager, 0.5FTE, staff, 5 FTE and apprentices, 2 FTE. A rough calculation of the costs relating to their time equates to

£150,800. Costs currently include in-house badge production, as this will transfer to Northgate/ Payne's Security, it is estimated that costs will reduce to £140,000. Apprentices will continue to support the new process.

(8) Implementation of a Trusted Assessor role in Contact Kent is likely to reduce IMA staff costs and increase in the costs for Contact Kent, however as the IMA's attract both an agency fee and a higher hourly rate the costs will be off set and result in a positive balance.

Enforcement

(9) The revisions to Blue Badge are part of the coalition governments strategy to reduce fraud. The new badges will have a photograph of the eligible person and will be designed to make reproduction difficult. Current Blue Badge data is held on local systems, the national system will provide a data base used by all local authorities and is intended to reduce multiple badge applications.

(10) Badges will display the holders picture and will be produced by a security company, £4.60 taken from the Badge fee will pay for this.

(11) Enforcement of Blue badges is through district and borough councils each of whom has a lead officer for Blue Badge enforcement. Lead officers are identified to contractor as part of the registration process.

Conclusion

11. (1) The changes to the Blue Badge service have be driven by the Department for Transport 's reforms. The reforms are being introduced in response to a national consultation and aim to provide a more efficient service and to reduce the fraud associated with Blue Badge.

(2) The increase charge is introduced in response to the Department for Transport's intention that the service should be self financing.

Recommendations

12. (1) Cabinet is asked to:
- i. **NOTE** the changes to the Blue Badge service as described in the report
 - ii. **CONSIDER** and agree the future charging level for Blue Badges, based on the options set out in paragraph 6.4
 - iii. **APPROVE** the Communication Plan as set out in Appendix A of the report.

Appendices:

Appendix A - Communication Plan

Appendix B - Department for Transport Equality Impact Assessment

Appendix B1 - Kent Equality Impact Assessment

Background Documents

Blue Badge Reform Programme Documents

National Impact Assessment 7.12.10

Letter from Norman Baker to Local Authorities 14.2.2011

Summary of the Blue Badge Reforms 14.2.2011

Blue Badge Reform Programme (FAQ'S) February 2011

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Appendix A to the Blue Badge Reform Report

Communications Plan

Key people

Graham Gibbens, Andrew Ireland, Anne Tidmarsh, Daniel Waller, Michael Thomas-Sam, Janice Grant

Key messages

- Reforming the Blue Badge process is driven by the Department for Transport
- The charge to Blue Badge users has been £2 since the 1970s
- The increased charge will go towards the cost of employing medical assessors, making the badge and the administrative process

Background

Recent changes to the system for applications means applicants no longer see their GP, but contact KCC who undertakes the assessment

Department for Transport wants the Blue Badge system to become self-funding
Department for Transport wants it to be impossible for anyone to apply for more than one Blue Badge (by applying in more than one county)

Maximum charge to Blue Badge applicants is £10 (restricted by government) – even this charge would not cover costs

Once issued, a Blue Badge is valid for three years

Expected public response

It should be expected that negative public and media reaction will focus on the 500% increase in charges

This will be highlighted as a particular difficulty for already vulnerable people

Core lines

- KCC believes that Blue Badges are immensely important and make a vital difference to quality of life and supporting independence
- Government is right to want to develop a standardised system, to reduce fraud
- It is vital that an assessment takes place before any Blue Badge is issued so that the system is not abused
- A £10 charge for the Blue Badge is still good value – offering free parking, close to key shops and buildings, at the equivalent of £3.33 a year
- Anyone with concerns or questions should contact 08458 247 100

Dates

Cabinet decision on 5th December,

New charges will be implemented on 1st January

National Blue Badge Information System and the issue date for new badges 1st January

Audiences

People who already have a Blue Badge and those who might expect to need one in the near future

Families and carers, local members, staff and unions, general public and media, MPs

Methods

Communication with the general public will depend on web and media-based techniques

Letters to all existing badge holders

One voice – single face/voice of change

The changes, the reasoning behind them and details/explanations will be available on the KCC website – www.kent.gov.uk/xxxxxxx

This information could also be repeated in a printed form – leaflets for public, briefings for stakeholders (what about distribution?)

Press release material, responsive statements prepared in advance and continuing relationship with Kent media