

MAYOR & CABINET			
REPORT TITLE	2015-16 Revenue Budget Savings – addendum - Business case for introducing an administration fee for issuing and replacing Blue Badges		
KEY DECISION	Yes	ITEM No.	7
WARD	All		
CONTRIBUTORS	Executive Director for Customer Services		
CLASS	Part 1	Date	11 February 2015

ADDENDUM

1. Purpose

- 1.1 To provide an explanation of the Blue Badge reforms and to recommend the introduction of a £10 administration fee.

2. Summary

- 2.1 The Disabled Persons' Parking Badge Scheme was introduced in 1971, under Section 21 of the Chronically Sick and Disabled Persons Act 1970 ('the 1970 Act'). The Scheme provides a national arrangement of on-street parking concessions for severely disabled people who are unable, or find it difficult, to use public transport.
- 2.2 In 2011 the Blue Badge scheme was reformed in order to crackdown on drivers who abuse the scheme and to introduce other changes to make it more sustainable for the future. In order to deliver efficiency savings and improve customer services it was decided to develop a blue badge improvement service which would be self funding and deliver efficiency savings of between £6.5 and £20 million per year nationally. It would improve customer services and establish an on-line application facility.
- 2.3 The changes also aimed to prevent abuse of the scheme and improve enforcement. A new badge was designed which is hard to copy, forge and alter. All badge production and printing is done centrally by Payne Security.
- 2.4 Another change related to the administration fee. Prior to the reforms we were able to charge £2 per successful application but the Council chose not to. This fee increased to £10 so that it covered the cost of the new badge design and postage fees. The savings proposal is to introduce the £10 fee.
- 2.5 There are 7,200 Blue Badges in use and these are renewed every 3 years on an annual cycle (i.e. approximately 2,400 each year).

3. Cost of Blue Badge administration

- 3.1 The production cost of 2,400 Blue Badges is £11,040 p.a.
- 3.2 The assessment, maintenance, issue and review costs for 2,400 Blue Badges is £22,500 p.a. (75% of a Scale 5 post) making a total annual cost of the service of £33,540.
- 3.3 The proposed introduction of a £10 administration fee would generate an income of £24,000 p.a.
- 3.4 The introduction of the £10 fee does not cover the full cost of the Blue Badge service. The Council would continue to fund the remaining £9,540.

4. Recommendation

- 4.1 It is recommended that a £10 administration fee be introduced for new and replacement blue badge applications in order to recoup the money spent on the scheme.

5. Financial Implications

- 5.1 The Council already has an electronic payment system so there would be no set up or training costs. The time spent taking the payments is referred to in (3) above.
- 5.2 For customers who cannot make a card payment we can use the Councils new invoicing facility. As this is available Council wide there will be no set up costs.