

**Report to the Cabinet Member for Adult and Community Services and Cabinet Member for Health and Wellbeing**  
**Report submitted by: Head of Service, Customer Access**  
**Date: 7 December and 10 December 2015**

**Part I**

Electoral Divisions affected:  
All

**Proposal for the Introduction of a Lancashire Blue Badge Policy, including the Introduction of Charging for Blue Badges**  
(Appendices 'A' and 'B' refer)

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**Executive Summary**

This report seeks approval for a Lancashire Blue Badge Policy in accordance with the draft version attached at Appendix 'A'.

The Lancashire Blue Badge policy includes a recommendation to introduce charging for Blue Badges in Lancashire, based on the following:

- The Department for Transport revised the Blue Badge scheme in 2012 to allow authorities to charge up to £10 for Badges. Authorities would now also have to pay £4.60 per Badge produced.
- Lancashire is the highest issuing authority of Blue Badges in England but the only authority in England not to charge for Badges.
- Up to 58% of the annual cost of administering the Blue Badge scheme could be recovered if charging were introduced.

An Equality Impact Assessment has been carried out and is attached at Appendix 'B'.

This is deemed to be a Key Decision and the provisions of Standing Order No. 25 have been complied with.

**Recommendation**

The Cabinet Member for Adult and Community Services and the Cabinet Member for Health and Wellbeing are requested to approve the draft Lancashire Blue Badge Policy as set out at Appendix 'A' to be effective from 1<sup>st</sup> January 2016, and to include the introduction of a £10 charge for all successful Blue Badge applications and reported lost or damaged replacement Blue Badges issued to Lancashire residents.

## Background and Advice

The Blue Badge Service administers the Blue Badge scheme for residents of Lancashire. Blue Badges are issued to eligible residents upon application to assist people with disabilities affecting their mobility in accessing goods and services by allowing them to park close to their destination. A number of parking concessions are given to Blue Badge holders in Lancashire and across the country.

Lancashire County Council has never had a local Blue Badge policy in place. It is proposed that the draft Lancashire Blue Badge policy, including charging, becomes effective from 1<sup>st</sup> January 2016.

The Blue Badge Scheme is governed by the Department for Transport (DfT). In 2012, the DfT revised the Blue Badge Scheme. Part of this review was to increase the administration fee that local authorities could charge for issuing Badges from £2 to £10. The amended Scheme also stipulated that all Badges would be produced and distributed centrally by Northgate Public Services and all authorities would be charged £4.60 per printed Badge by Northgate.

The County Council is the highest issuing authority of Blue Badges in England but is the only authority in England to provide Blue Badges at no cost to the customer. The total estimated annual cost of delivering the Blue Badge Service in Lancashire is £457,839 per annum.

In the 2013/2014 financial year 27,979 Badges were issued by the County Council. This resulted in £128,790 of fees being paid to Northgate Public Services.

Northgate Public Services offer a charging service as part of the online application process, whereby customers can pay online at the time of making an application by pre-authorising a payment via debit or credit card. An initial £100 set up fee is charged setting up charging functionality. An additional transaction cost of 50p per Badge is payable once charging is enabled by Northgate Public Services, increasing the fee payable to Northgate Public Services per Badge from £4.60 to £5.10 (£142,639 in 2013/2014). This would result in an increased charge by Northgate of approximately £13,936.

	(£)
Internal Blue Badge Administration Costs	329,136
Badge and Online Payment Fees to Northgate	142,639
<b>Total Costs:</b>	<b>471,829</b>
<b>Potential Income:</b>	<b>-279,790</b>
<b>Potential Total Cost of Service:</b>	<b>192,039</b>

**Table 1: Potential Total Annual Cost of Administering the Blue Badge Scheme in Lancashire.**

Based on current activity levels, the charge would deliver an estimated £279,790 of annual income which would offset the approximate £13,936k increased charge

levied by Northgate. This would also support a 58% reduction in the net cost of administering the service.

Alternatively, payment can be taken from the customer once their application is assessed, via telephone.

## **Consultations**

The two neighbouring unitary authorities, Blackpool Council and Blackburn with Darwen Borough Council, have been contacted with regards to charging. Both authorities, along with the vast majority of the other 152 issuing authorities introduced the £10 charge in 2012.

## **Implications:**

This item has the following implications, as indicated:

### **Risk management**

- The administrative impact for the Blue Badge Service would be minimal as the online application system allows customers to pre-authorise payment at the time of application.
- The costs payable to Northgate for each Badge issued would be recovered from the Badge users.
- Up to 58% of the costs of running the Blue Badge scheme would be recovered.
- The number of Blue Badge applications may decrease. This may also assist in a decrease of misuse and abuse reports and fraud.
- The number of replacement Badges would be likely to fall as people would be more inclined to ensure that they do not lose Badges if they are required to pay for replacements.
- The number of cases of abuse and misuse for Blue Badges may decrease as people will be unable to obtain a replacement (duplicate) Badge free of charge and people applying who may not be eligible may be deterred from applying.
- There may be a rise in queries and complaints from customers who have previously received Blue Badge from the County Council free of charge.
- Blue Badges give users several parking concessions for a period of three years, the benefits of which would considerably exceed the £10 charge.
- Customers wishing to pay by cheque may experience a slight delay in receiving their Badge due to increased processing time involved. However, the introduction of charging would further incentivise online application, including online payment) which would have further cost benefits for the County Council and provide residents with an improved customer experience and further reduced production times.

### **Financial**

As set out in the report.

**List of Background Papers**

Paper	Date	Contact/Directorate/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A