

BIRMINGHAM CITY COUNCIL**PUBLIC**

Report to:	CABINET MEMBER FOR VALUE FOR MONEY & EFFICIENCY JOINTLY WITH THE STRATEGIC DIRECTOR FOR PEOPLE
Report of: Date of Decision:	Head of Professional Support Services 19 December 2016
SUBJECT:	Administration of Blue Badge Scheme - Contract Extension (C0154)
Key Decision: No	Relevant Forward Plan Ref: N/A
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member(s) or Relevant Executive Member:	Cllr Majid Mahmood – Cabinet Member, Value for Money & Efficiency
Relevant O&S Chairman:	Cllr Mohammed Aikhlaq - Corporate Resources and Governance
Wards affected:	All

1. Purpose of report:
1.1. To provide details of the outcome of the procurement process for the administration of the Blue Badge scheme for a period of 2 years and 11 months, commencing 1st January 2017 until 30 th November 2019.
1.2. The accompanying private report contains commercially confidential financial information.

2. Decision(s) recommended:
That the Cabinet for Value for Money and Efficiency jointly with the Strategic Director for People:
2.1 Notes the content of this report

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3.	Consultation
3.1	<p><u>Internal</u></p> <p>Officers from the People Directorate’s Commissioning Centre of Excellence and Senior Management Team have been consulted and are supportive of this proposal.</p> <p>Officers from City Finance, Corporate Procurement and Legal and Democratic Services have been involved in the preparation of this report.</p> <p>The Cabinet Member for Health & Social Care has been consulted and is supportive of this proposal.</p>
3.2	<p><u>External</u></p> <p>None</p>
4.	Compliance Issues:
4.1	<p><u>Are the recommended decisions consistent with the Council’s policies, plans and strategies?</u></p> <p>4.1.1 The service will contribute to the priorities set out in the Council’s Business Plan and Budget 2016+ supports: A healthy, happy city - A seamless health and social care provision so people can get the service they require or the correct information and advice in one place, with people who need services able to access the services they need irrespective of who the provider is.</p> <p>4.1.2 Although the proposed contract will not be operated in Birmingham the provider will be required to submit an approved Action Plan that is relevant and proportionate to the contract. Employees working for the proposed provider are paid on or above the Birmingham Living Wage and therefore comply with the Council’s Living Wage policy.</p>
4.2	<p><u>Financial Implications</u></p> <p>4.2.1 See private report</p>
4.3	<p><u>Legal Implications</u></p> <p>4.3.1 The Council has a duty to issue blue badges under section 21 the Chronically Sick and Disabled Persons Act 1970 as amended and the Disabled Person (Badges for Motor Vehicles) (England) Regulations 2000 as amended together with associated regulations and guidance.</p> <p>4.3.2 The local authority cannot delegate the decision in respect of those who fall into the second category of applicants – that is those who require an assessment to determine eligibility. The contractor will only be able to provide a service in terms of processing those who fall into the first category of those able to be issued with a badge.</p>
4.4	<p><u>Public Sector Equality Duty</u></p> <p>4.4.1 The Blue Badge scheme operates mainly on national criteria and the movement of the administration from the Council will have no impact on access. Where there are discretionary aspects then this will continue to be administered within the Council.</p>

5. Relevant background/chronology of key events:

- 5.1 The Blue Badge scheme has been in place since 1970 and enables disabled people to retain their independence as they are able to park close to where they need to go by displaying a valid Blue Badge. This statutory scheme is administered by Birmingham City Council in accordance with Disabled Persons (Badges for Motor Vehicles regulations 2000).
- 5.2 From 1st January 2012, a new national system was put in place for the processing and issue of Blue Badges. The national application of the process and the issuing of the badges is carried out by an appointed Department for Transport (DfT) contractor with the City Council continuing to accept paper based applications, completing the administrative process, dealing with queries and using the City Council's customer record to manage the workflow. Therefore the City Council has no option but to use the DfT appointed contractor.
- 5.3 Whilst the City Council's Blue Badge processing performance is stable and at an acceptable level, the Council can only charge a maximum of £10 for this service if an application is approved and of this, £4.60 has to be paid to the national contractor for badge production for successful applications. The charge is only made when the application is successful so there is no income collected for unsuccessful applications. This arrangement forms part of the National Contract.
- 5.4 There are two categories of persons who may be issued with a badge – the first being those who are eligible without further assessment. These are people more than two years old who are:
- Severely sight impaired
 - Receive the Higher Rate of mobility component of Disability Living Allowance
 - Receive War Pensioners Mobility Supplement
 - Those awarded 8 points or more of the 'Moving Around' mobility component of the Personal Independence Payment
 - Has been both awarded a lump sum benefit at tariffs 1-8 of the Armed Forces Compensation Scheme and certified as having a permanent and substantial disability which causes inability to walk or very considerable difficulty in walking.
- 5.5 The second category are those whose eligibility depends upon an assessment and the decision is based upon the applicants walking difficulties by either:
- A paper based review of the information already held by the Local Authority
 - A physical assessment of ability to walk and balance
- 5.6 The service is a statutory duty that has to be discharged by the Council and ensures that our most vulnerable adults and children can take advantage of the free, more accessible parking in Birmingham and throughout the Country. It tackles inequality, involves local people and promotes an inclusive economy and therefore meets priorities included in the Council Business Plan and Budget 2016+. On 7th April 2014 Northgate Information Solutions Limited was awarded, via Cabinet Member/Chief Officer approval, a contract for the administration of the Blue Badge scheme which commenced on 1st June 2014 and which will expire on 31st December 2016. This report now seeks extension of that contract to ensure continued delivery of the Blue badge scheme.
- 5.7 The contract will be managed by the Professional Support Relationship Manager.

6. Evaluation of alternative option(s):

- 6.1 Tender for the provision of this service: There is only one DfT approved national provider of the Blue Badge service and therefore the only one able to provide the cost benefit sought.
- 6.2 Bring in-house: The service was externalised in 2014 as a value for money exercise. There is no internal resource with capacity to operate the service and there would be transition costs involved. It would not be an option to increase charges because they are set by DfT and it would not be best value for citizens.
- 6.3 Decommission service: there is a statutory duty to provide this service.

7. Reasons for Decision(s):

- 7.1 To enable the Strategic Director for People to extend the provision of the Blue Badge Administrative Process contract.

Signatures**Date**

Cllr Majid Mahmood:

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Cabinet Member for Value for Money & Efficiency

Peter Hay:

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Strategic Director for People

List of Background Documents used to compile this Report:

7th April 2014 Joint Cabinet Member/Chief Officer Award report.