

|  |   |
|--|---|
| <b>Title:</b><br><b>Impact Assessment of extending the Blue Badge Scheme to children between the ages of 2-3 with specific medical conditions</b><br><br><b>Lead department or agency:</b><br>Department for Transport<br><b>Other departments or agencies:</b><br>N/A | <b>Impact Assessment (IA)</b>                 |
|  | <b>IA No:</b> DFT0061                         |
|  | <b>Date:</b> 08/12/2010                       |
|  | <b>Stage:</b> Final                           |
|  | <b>Source of intervention:</b> Domestic       |
|  | <b>Type of measure:</b> Secondary legislation |
| <b>Contact for enquiries:</b><br>Robert Ringsell 0207 944 8763<br><a href="mailto:robert.ringsell@dft.gsi.gov.uk">robert.ringsell@dft.gsi.gov.uk</a>   |   |

## Summary: Intervention and Options

**What is the problem under consideration? Why is government intervention necessary?**

The Blue Badge Scheme gives a concession to people with severe mobility problems who have difficulty using public transport to park where particular restrictions may otherwise apply. This means Badge holders can park close to where they need to go. In October 2007, the Blue Badge Scheme was extended to children under the age of two who have mobility problems arising from their need to be transported with bulky medical equipment, or who are affected by highly unstable medical conditions. This benefit should be extended to children between the ages of 2-3 with specific medical conditions as it is inequitable that they are not currently eligible for a Blue Badge. This policy will help more disabled children to be transported to their intended destination as safely and quickly as possible.

**What are the policy objectives and the intended effects?**

This change is principally about fairness as it closes a gap whereby a child between 2-3 who has mobility problems arising from their need to be transported with bulky medical equipment, or who are affected by highly unstable medical conditions are currently ineligible to apply for a Blue Badge through either the existing 'children under 2 criteria,' or by applying for the Higher Rate of the Mobility Component of Disability Living Allowance (HRMCDLA), for which the minimum qualifying age is 3. This change will close this gap.

**What policy options have been considered? Please justify preferred option (further details in Evidence Base)**

Option A is to maintain the current position. This is not considered to be a realistic policy option given that it would not address the issue highlighted above.

Option B This is the preferred Option. This extends eligibility to children between the ages of 2 and 3, with specific medical conditions.

|  |  |
|--|--|
| <b>When will the policy be reviewed to establish its impact and the extent to which the policy objectives have been achieved?</b>  | The Blue Badge reform programme will be reviewed in 2015 |
| <b>Are there arrangements in place that will allow a systematic collection of monitoring information for future policy review?</b> | Yes  |

**SELECT SIGNATORY Sign-off** for Final stage Impact Assessments:

*I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.*

Signed by the responsible Minister: Norman Baker..... Date: 23 rd May 2011.....

# Summary: Analysis and Evidence

# Policy Option B

**Description:** Full implementation of proposal to extend eligibility to 2-3 year olds.

| Price Base<br>Year 2010 | PV Base<br>Year 2010 | Time Period<br>Years 10 | Net Benefit (Present Value (PV)) (£m) |                |                         |
|-------------------------|----------------------|-------------------------|---------------------------------------|----------------|-------------------------|
|                         |                      |                         | Low: -£0.30mn                         | High: -£0.03mn | Best Estimate: -£0.17mn |

| COSTS (£m)    | Total Transition<br>(Constant Price)<br>Years | Average Annual<br>(excl. Transition) (Constant Price) | Total Cost<br>(Present Value) |
|---------------|---|---|-------------------------------|
| Low           | £0.18mn                                       | £0.29mn   | <b>£2.64mn</b>                |
| High          | £0.22mn                                       | £0.30mn   | <b>£2.83mn</b>                |
| Best Estimate | £0.20mn                                       | £0.30mn   | <b>£2.74mn</b>                |

### Description and scale of key monetised costs by 'main affected groups'

The transitional costs refer to the administrative costs of local authority staff processing renewal applications to extend the timeframe of eligibility to current holders.

The annual costs comprise of additional local authority administrative and desk based assessment costs of processing applications, and loss in parking revenue, congestion charges and bridge tolls brought about by additional and re-issued Blue Badges holders.

### Other key non-monetised costs by 'main affected groups'

| BENEFITS (£m) | Total Transition<br>(Constant Price)<br>Years | Average Annual<br>(excl. Transition) (Constant Price) | Total Benefit<br>(Present Value) |
|---------------|---|---|----------------------------------|
| Low           | £0.14m  | £0.29mn   | <b>£2.53mn</b>                   |
| High          | £0.14m  | £0.30mn   | <b>£2.61mn</b>                   |
| Best Estimate | £0.14mn                                       | £0.29mn   | <b>£2.57mn</b>                   |

### Description and scale of key monetised benefits by 'main affected groups'

Benefits for additional and renewed Blue Badge holders in saved parking costs, bridge tolls and congestion charging.

### Other key non-monetised benefits by 'main affected groups'

Increased accessibility, mobility and reduced stress / discomfort for the 100-200 children forecast to benefit per annum.

### Key assumptions/sensitivities/risks

The number of potential Badge holders may be slightly higher or lower than predicted.

Discount rate (%)

3.5

|                                   |               |        |                                     |          |
|-----------------------------------|---------------|--------|-------------------------------------|----------|
| Impact on admin burden (AB) (£m): |               |        | Impact on policy cost savings (£m): | In scope |
| New AB: 0                         | AB savings: 0 | Net: 0 | Policy cost savings: N/A            | Yes      |

## Enforcement, Implementation and Wider Impacts

|   |                   |             |                    |               |              |
|---|-------------------|-------------|--------------------|---------------|--------------|
| What is the geographic coverage of the policy/option?   | England           |             |                    |               |              |
| From what date will the policy be implemented?  | 17 June 2011      |             |                    |               |              |
| Which organisation(s) will enforce the policy?  | Local Authorities |             |                    |               |              |
| What is the annual change in enforcement cost (£m)?   | N/A               |             |                    |               |              |
| Does enforcement comply with Hampton principles?  | Yes               |             |                    |               |              |
| Does implementation go beyond minimum EU requirements?  | N/A               |             |                    |               |              |
| What is the CO <sub>2</sub> equivalent change in greenhouse gas emissions?<br>(Million tonnes CO <sub>2</sub> equivalent) | Traded:<br>N/A    |             | Non-traded:<br>N/A |               |              |
| Does the proposal have an impact on competition?  | No                |             |                    |               |              |
| What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable?            | Costs:<br>0       |             | Benefits:<br>0     |               |              |
| Annual cost (£m) per organisation<br>(excl. Transition) (Constant Price)  | Micro<br>N/A      | < 20<br>N/A | Small<br>N/A       | Medium<br>N/A | Large<br>N/A |
| Are any of these organisations exempt?  | No                | No          | No                 | No            | No           |

## Specific Impact Tests: Checklist

Set out in the table below where information on any SITs undertaken as part of the analysis of the policy options can be found in the evidence base. For guidance on how to complete each test, double-click on the link for the guidance provided by the relevant department.

Please note this checklist is not intended to list each and every statutory consideration that departments should take into account when deciding which policy option to follow. It is the responsibility of departments to make sure that their duties are complied with.

| Does your policy option/proposal have an impact on...?   | Impact | Page ref within IA |
|--|--------|--------------------|
| <b>Statutory equality duties<sup>1</sup></b><br><a href="#">Statutory Equality Duties Impact Test guidance</a> | Yes    | Annex 1            |
| <b>Economic impacts</b>  |        |                    |
| Competition <a href="#">Competition Assessment Impact Test guidance</a>  | No     |                    |
| Small firms <a href="#">Small Firms Impact Test guidance</a>   | No     |                    |
| <b>Environmental impacts</b>   |        |                    |
| Greenhouse gas assessment <a href="#">Greenhouse Gas Assessment Impact Test guidance</a>                       | No     |                    |
| Wider environmental issues <a href="#">Wider Environmental Issues Impact Test guidance</a>                     | No     |                    |
| <b>Social impacts</b>  |        |                    |
| Health and well-being <a href="#">Health and Well-being Impact Test guidance</a>                               | No     |                    |
| Human rights <a href="#">Human Rights Impact Test guidance</a>   | No     |                    |
| Justice system <a href="#">Justice Impact Test guidance</a>  | No     |                    |
| Rural proofing <a href="#">Rural Proofing Impact Test guidance</a>   | No     |                    |
| <b>Sustainable development</b><br><a href="#">Sustainable Development Impact Test guidance</a>                 | No     |                    |

<sup>1</sup> Race, disability and gender Impact assessments are statutory requirements for relevant policies. Equality statutory requirements will be expanded 2011, once the Equality Bill comes into force. Statutory equality duties part of the Equality Bill apply to GB only. The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

## Evidence Base (for summary sheets) – Notes

Use this space to set out the relevant references, evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Please fill in **References** section.

### References

Include the links to relevant legislation and publications, such as public impact assessment of earlier stages (e.g. Consultation, Final, and Enactment).

| No. | Legislation or publication  |
|-----|---|
| 1   | Legislation: The Chronically Sick and Disabled Persons Act 1970. <a href="http://www.legislation.gov.uk/ukpga/1970/44">http://www.legislation.gov.uk/ukpga/1970/44</a><br>The Disabled Persons (Badges for Motor Vehicles) (England) Regulations 2000 <a href="http://www.legislation.gov.uk/uksi/2000/682/made">http://www.legislation.gov.uk/uksi/2000/682/made</a> and the Disabled Persons (Badges for Motor Vehicles) (England) (Amendment) Regulations 2007 <a href="http://www.legislation.gov.uk/uksi/2007/2531/made">http://www.legislation.gov.uk/uksi/2007/2531/made</a> |
| 2   | Consultation: Consultation on Developing a Comprehensive Blue Badge (Disabled Parking) Reform Strategy. DfT, January 2008 <a href="http://www.ltpnetwork.gov.uk/Documents/bluebadgeconsult.pdf">http://www.ltpnetwork.gov.uk/Documents/bluebadgeconsult.pdf</a>   |
| 3   | Research reports: Faber Maunsell: Blue Badge research with LA, 2008; AECOM research with LAs 2010, unpublished. Research with Blue Badge Holders: Final Report, DfT, October 2008 <a href="http://webarchive.nationalarchives.gov.uk/+http://dft.gov.uk/adobepdf/259428/281009/holdersreport.pdf">http://webarchive.nationalarchives.gov.uk/+http://dft.gov.uk/adobepdf/259428/281009/holdersreport.pdf</a>   |
| 4   | Research report: Blue Badge Reform Strategy: Enforcement Evidence Base, DfT, March 2010 <a href="http://webarchive.nationalarchives.gov.uk/+http://dft.gov.uk/adobepdf/259428/281009/enforcementevidence.pdf">http://webarchive.nationalarchives.gov.uk/+http://dft.gov.uk/adobepdf/259428/281009/enforcementevidence.pdf</a>   |
| 5   | Statistics: Parking badges for disabled people, DfT, published annually <a href="http://www.dft.gov.uk/pgr/statistics/datatablespublications/public/parkingbadges/">http://www.dft.gov.uk/pgr/statistics/datatablespublications/public/parkingbadges/</a>   |
| 6   | Consultation, including public Impact Assessment: Blue Badge Reform Programme: A consultation document, DfT, March 2010 <a href="http://www.dft.gov.uk/consultations/closed/2010-20/">http://www.dft.gov.uk/consultations/closed/2010-20/</a>   |
| 7   | Previous Government strategy, including Impact Assessment: Comprehensive Blue Badge (Disabled Parking) Reform Strategy (England), DfT, October 2008 <a href="http://webarchive.nationalarchives.gov.uk/+http://www.dft.gov.uk/transportforyou/access/bluebadge/reform/reformstrategy/bbreformstrategy.pdf">http://webarchive.nationalarchives.gov.uk/+http://www.dft.gov.uk/transportforyou/access/bluebadge/reform/reformstrategy/bbreformstrategy.pdf</a>   |

### Evidence Base

Ensure that the information in this section provides clear evidence of the information provided in the summary pages of this form (recommended maximum of 30 pages). Complete the **Annual profile of monetised costs and benefits** (transition and recurring) below over the life of the preferred policy (use the spreadsheet attached if the period is longer than 10 years).

The spreadsheet also contains an emission changes table that you will need to fill in if your measure has an impact on greenhouse gas emissions.

#### Annual profile of monetised costs and benefits\* - (£m) constant prices

|                                  | Y <sub>0</sub> | Y <sub>1</sub> | Y <sub>2</sub> | Y <sub>3</sub> | Y <sub>4</sub> | Y <sub>5</sub> | Y <sub>6</sub> | Y <sub>7</sub> | Y <sub>8</sub> | Y <sub>9</sub> |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Transition costs</b>          | 0.20           |                |                |                |                |                |                |                |                |                |
| <b>Annual recurring cost</b>     | 0.30           | 0.30           | 0.30           | 0.30           | 0.30           | 0.30           | 0.30           | 0.30           | 0.30           | 0.30           |
| <b>Total annual costs</b>        | 0.50           | 0.30           | 0.30           | 0.30           | 0.30           | 0.30           | 0.30           | 0.30           | 0.30           | 0.30           |
| <b>Transition benefits</b>       | 0.14           |                |                |                |                |                |                |                |                |                |
| <b>Annual recurring benefits</b> | 0.29           | 0.29           | 0.29           | 0.29           | 0.29           | 0.29           | 0.29           | 0.29           | 0.29           | 0.29           |
| <b>Total annual benefits</b>     | 0.43           | 0.29           | 0.29           | 0.29           | 0.29           | 0.29           | 0.29           | 0.29           | 0.29           | 0.29           |

\* For non-monetised benefits please see summary pages and main evidence base section



Microsoft Office  
Excel Worksheet

# Evidence Base (for summary sheets)

## Background

1. The Blue Badge Scheme is administered by local authorities, who are required to provide a range of parking concessions for people with severe mobility problems. It enables Blue Badge holders to park without charge or time limit in certain otherwise restricted on-street environments.
2. The Scheme provides a vital lifeline to disabled people. The value of a badge in terms of independence cannot be understated. Seventy-five per cent of badge holders say that they would go out less often without one. We want to continue to provide preferential disabled parking to people who are unable to walk or who have very considerable difficulty walking because of a permanent and substantial disability.

## Current policy

4. The current policy for eligibility for the scheme is set out in Regulation 4 of the Disabled Persons (Badges for Motor Vehicles) (England) Regulations 2000, as amended by the Disabled Persons (Badges for Motor Vehicles) (England) Regulations 2007. Different eligibility criteria apply depending on whether the applicant is under or over the age of 3.
5. A person over the age of 2 can be issued with a Badge if they:
  - a) receive the Higher Rate Mobility Component of the Disability Living Allowance (HRMCDLA);<sup>2</sup>
  - b) are in receipt of a grant relating to the provision of a vehicle (including wheelchairs) under the National Health Service Act 2006.
  - c) are registered Blind;
  - d) receive a War Pensioner's Mobility Supplement;
  - e) drive a vehicle regularly, have a severe disability in both arms and are unable to operate, or have considerable difficulty in operating, all or some types of parking meter;
  - f) are unable to walk or have considerable difficulty in walking because of a permanent and substantial disability.
6. Separate provision, introduced by the Disabled Persons (Badges for Motor Vehicles) (England) (Amendment) Regulations 2007 (SI 2007/2531) exists for children under the age of 2 whom:
  - a) due to a condition, need to be accompanied by bulky medical equipment at all times;  
or
  - b) due to a condition must always be kept near a vehicle so that treatment can be given in the vehicle, or the child can quickly be transported to a place for treatment.

---

<sup>2</sup> To qualify for a new HRMCDLA award an applicant must be aged between 3–65.

7. The Blue Badge Scheme Local Authority Guidance (England) January 2008<sup>3</sup> sets out further detail on how children should be assessed by local authorities under these Regulations.

## Rationale for Intervention

8. Blue Badges issued to children under the age of 2 are valid until the day after their second birthday, or until the condition in respect of which the badge was issued no longer applies. Some of the conditions for which a badge may be issued are of a temporary nature, for example hip dysplasia, normally last for between three and six months.
9. Children under the age of 2 had been excluded from the Scheme under Regulations which came into effect in 1983 (The Disabled Persons (Badges for Motor Vehicles) Regulations 1982 (SI 1982/1740). This was on the advice of the *Disabled Persons Transport Advisory Committee* (DPTAC) on the grounds that disabled children below this age could reasonably be carried in a pram or pushchair in much the same way as non-disabled children of a similar age.
10. However, the Scheme was amended in 2007 in recognition of the mobility problems of some young children who need to be accompanied by medical equipment which cannot easily be transported, or who are affected by unstable medical conditions and may require emergency treatment. It is our view that the policy intent was that, on reaching their second birthday, a child who was eligible under the 'Children under 2 criteria' may then apply under the other eligibility criteria. However, as applicants for HRMCDLA must be aged 3 or over, there is currently an unintended gap in provision.

## Proposals

11. The Government would like to extend the Blue Badge Scheme to more children, under the age of 3, with specific medical conditions. This will close the gap whereby children between the ages of 2 and 3 are currently unable to apply for a badge under either the existing 'children under 2 criteria' or by applying for HRMCDLA. This is because new awards of HRMCDLA can only be made for applicants between the ages of 3 and 65. Once these children reach the age of 3, if they meet the qualifying criteria and are awarded HRMCDLA they will automatically qualify for a Blue Badge. Therefore we do not plan to extend this path of eligibility beyond the age of 3. A statutory instrument is needed to amend the Disabled Persons (Badges for Motor Vehicles) (England) Regulations 2000 ("the Principal Regulations") and will come into force by mid 2011.
12. This extension to Blue Badge eligibility was outlined in a public consultation lasting 14 weeks, which began on 22 March 2010 and closed on 2 July 2010. Responses were invited from a number of interested parties in particular:
  - Disabled people and their representative groups;
  - Parking enforcement officers and their representative groups or parent companies;
  - Local authorities, who both issue Blue Badges and enforce the scheme,
13. There was strong support to the proposed change. 96% of all respondents clearly

---

<sup>3</sup> <http://www.dft.gov.uk/transportforyou/access/blueBadge/blueBadgelocalauthguid/320266.pdf/>

supported extending eligibility to children between the age of 2 and 3 with specific medical conditions. The Department of Health also supports this change.

## Costs

### Extending the eligibility period for existing Badge holders under the age of 2

14. It may be necessary to make transitional arrangements for children under the age of 2 who have been issued with a Blue Badge before the new Regulations enter into force whose badge will expire on the day following their second birthday, as (provided that they continue to meet the eligibility criteria on account of their condition) they will become eligible for a Blue Badge until their third birthday under the new Regulations. This also applies to children between 2 and 3 whose badge has already expired.
15. We do not think this can be addressed by legislation, because Blue Badges must be issued with an expiry date. Instead it will be necessary for the local authority to re-issue a Blue Badge on application to an eligible child to cover the period between the new Regulations entering into force and their third birthday. This may in some cases lead to badges being issued for very short periods of time. It will be necessary to draw this to the attention of local authorities.
16. Statistics supplied by local authorities to the Department for Transport<sup>4</sup> show that between 1 April 2008 and 31 March 2009 there were 3,108 Blue Badges issued to children under the age of 2. For the purpose of this impact assessment we have assumed that a similar number of 3,000 were issued in the 12 month period 1 April 2009 – 31 March 2010. When split evenly between the ages of 0 and 2, we estimate that 1,500 Badges were issued to children between 1-2 and 1,500 to children under 1.
17. Table A2.1 shows that the estimated maximum number of Badge renewal applications likely to be received over a two-year period after April 2011 would be 6,000. The reason this is spread over two years is because the applicant may wish to wait until the Badge has expired before re-applying. Table A2.1 gives a high-end scenario that will help to estimate administrative costs.

---

<sup>4</sup> Statistics: Parking badges for disabled people, DfT, published annually  
<http://www.dft.gov.uk/pgr/statistics/datatablespublications/public/parkingbadges/>

**Table A2.1: Maximum number of applications to extend current Badge expiry date**

|             | April 2009 –<br>March 2010 | April 2010 –<br>March 2011 | April 2011 –<br>March 2012 | April 2012 –<br>March 2013 | April 2013 –<br>March 2014 |
|-------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Ages of 1–2 | 1500                       |                            | Maximum extension          |                            |                            |
| Ages of 0–1 | 1500                       |                            | Maximum extension          |                            |                            |
|             | Ages of 1–2                | 1500                       | Maximum extension          |                            |                            |
|             | Ages of 0–1                | 1500                       | Maximum extension          |                            |                            |

### **Costs: transitional, annual and 10 year present value of local authority costs**

18. In estimating the overall combined administration costs incurred by local authorities by extending the eligibility period for existing holders, we have used the cost for processing a new badge based on research undertaken by Faber Maunsell (2008). This is £14.42 per application which is the median value between the 25 percentile and 75 percentile values, £8.51 to £20.33 respectively. (The range was restricted to remove unrepresentative outliers). This cost includes staff costs plus other direct costs, such as purchase of the badges and 20% allowance for staff related overheads (such as National Insurance contributions). It is assumed that there will be no additional eligibility assessment costs.
19. It is assumed that there will be few new applicants for a Blue Badge between the ages of 2 and 3 as medical conditions under this criterion are usually diagnosed before the child is 2. Based on discussions with local authorities and the Department for Health, a projected figure of 100-200 has been assumed. In addition to the administrative costs, there will be a desk-based assessment for this group of £17.30. This figure is based on research undertaken by Integrated Transport Planning Ltd. (ITP) and data from the DfT Blue Badge survey.
20. Table A2.2 shows estimated administrative costs to local authorities, which amount to £69,644 and £139,288 over a 10 year period. A range of 3,000–6,000 existing holders re-applying has been created to take account of the different expiry dates of the badges and the fact that some may not re-apply once the badge has expired, e.g. due to the temporary nature of their condition.



**Table A2.2: Estimated admin cost of extending existing Badge holders for 2-3 years olds**

|   | Extending existing holders over 2 years | New applicants 2–3 years old | Total present value over 10 years discounted at 3.5% |
|---|---|------------------------------|--|
| Unit admin cost per Badge                       | £14.42                                  | £14.42                       |  |
| Desk Based Assessment cost                      | N/A                                     | £17.30                       |  |
| Estimated number                                | 3,000–6,000                             | 100–200 per annum            |  |
| Total one off admin costs<br>April 2011         | £43,260 - £86,520                       |                              | £43,260 - £86,520                                    |
| Annual costs                                    |   | £3,172 - £6,345              | £3,172 - £6,345                                      |
| Total admin cost over 10 years discounted @3.5% | £43,260-£86,520                         | £26,384-£52,768              | £69,644-£139,288                                     |

Source: Department for Transport Statistics

21. The Blue Badge Scheme also impacts on the amount of parking revenue and congestion charging generated by local authorities. However, this is a distributional impact (i.e. the Blue Badge changes the incidence of the fees from badge holders to the local authority in the form of lost revenue). The estimated number of additional vehicles using Blue Badge spaces as a result of this extension is around 3,000 a year. There are also the estimated 3,000 who may re-apply and the estimated 100–200 applications for 2–3-year-olds to take account of. Table A2.3 shows the potential impact this will have over 10 years.

Table A2.3: Annual loss in parking fees from extending the scheme to 2–3-year-olds

| Additional applicants aged between 2 and 3, per annum | Number of additional extended badge holders per annum | Number who reapply in 2011      | Annual loss revenue to local authorities including (parking, congestion charge, bridge tolls etc.) | Estimated loss of parking revenue to local authorities per annum | Estimated loss of parking revenue to local authorities over 10 years discounted @ 3.5% pa. |
|---|---|---------------------------------|--|--|--|
| 100–200   | 3,000   | 3,000 (one-off cost of £0.14mn) | £93 per Badge  | £287,650-£296,929  | £2.64mn– <del>£2.83mn</del><br>£296,929  |

22. Badge holders are able to use disabled parking bays in car parks owned by private operators and in most cases a charge for parking is still levied on Badge holders. However, the provision of disabled persons' bays (which are larger than standard bays) could still be seen as resulting in a loss of revenue to private operators because of the reduction in the total number of spaces that results. However, private operators provide disabled bays voluntarily as part of the service to their customers, and there is no requirement for them to provide further bays as a result of changes to the Scheme.
23. Changes to the Scheme could potentially impact on the revenue generated by private parking operators if new Badge holders divert from using private car parks to using bays/spaces provided by local authorities which they can park in for free. However, there is no available evidence to suggest the scale of this, and so it has been assumed that this potential behavioural change would not have a significant impact on the revenue of private operators.
24. Blue Badge holders are also able to access a range of other concessions, such as free use of toll bridges and exemption from the London Congestion Charge. Changes to the Scheme will have a small impact on the revenue generated by these operators. However, as in the case of parking revenue, this is a distributional impact.
25. It is felt that there will be minimal costs to central government in terms of notifying local authorities about the changes.
26. There are a number of other potential impacts, like localised competition for parking spaces, as a result of more Blue Badges in circulation. However they are not likely to be significant, given the small numbers involved in this change. Table A2.4 show affected groups, but we have not considered in detail because it is assumed that the impacts experienced will be extremely small in aggregate.

**Table A2.4: Impact of extending scheme to 2–3-year-olds**

| Groups affected             | Potential impact   |
|-----------------------------|--|
| Potential new badge holders | Increased mobility for successful applicants   |
| Existing badge holders      | Extended eligibility for children under 2 who currently qualify – assumed to be relatively small             |
| Local authorities           | Negligible reduction in revenue generated – transfer impact and administration costs previously highlighted. |
| Private operators           | Negligible reduction in revenue generated – transfer impact  |
| Government                  | Small cost of promoting eligibility changes to local authorities   |
| Other                       | Range of possible benefits and costs – assumed to be relatively small  |

**Benefits: transitional, annual and present value over 10 years**

27. The proposal would result in benefits to those who become eligible as a result of the changes.
28. Earlier in this assessment we assumed that there were 3,000 badges issued between April 2009 and March 2010 and that this number was split evenly between children under 2 and children under 1. This would result in an extra 3,000 Blue Badge holders per annum. We also estimated that there would be 100–200 new applicants between the ages of 2 and 3 per year.
29. Research undertaken on behalf of the Department<sup>5</sup> estimates that, on average, a badge is worth £135 per annum. This has been reduced to £93 per annum to take account of trips generated as a result of free parking and allied charges.
30. It is important to note that there will be some financial benefit to those whose eligibility will be extended following their re-application in or after April 2011. For example, assuming an even spread of birthdates and assuming that 3,000 children are given an average of a 6 month extension; it will create additional a one-off collective benefit of £139,186. Table A2.5 shows the potential financial benefits to additional holders over 10 years to be between £2.53mn and £2.61mn.

<sup>5</sup>Research report: Blue Badge Reform Strategy: Enforcement Evidence Base, DfT, March 2010  
<http://webarchive.nationalarchives.gov.uk/+/http://dft.gov.uk/adobepdf/259428/281009/enforcementevidence.pdf>

Table A2.5: Benefit to Blue Badge holders

|   | Badge holders who will Benefit | Estimated annual benefit to each holder          | Estimated annual benefit               | Estimated benefit over 10 years discounted @ 3.5% p.a. |
|---|--------------------------------|--|--|--|
| Extra estimated Blue Badge holders per year         | 3,000                          | £93  | £278,371                               | £2.32mn  |
| New applicants between the ages of 2 and 3 per year | 100–200                        | £93  | £9,279– £18,558                        | £0.08mn– £0.15mn                                       |
| Total   |                                |  | £287,650– £296,929                     | £2.39mn– £2.47mn                                       |
| Holders who re-apply in 2011                        | Estimated number<br>3,000      | 6-month benefit (mid range of 0-12 month) £46.40 | Additional one-off benefit<br>£139,186 | N/A  |
|   |                                |  |  | Total benefit<br>£2.53mn– £2.61mn                      |

## Annex 1: Post Implementation Review (PIR) Plan

A PIR should be undertaken, usually three to five years after implementation of the policy, but exceptionally a longer period may be more appropriate. A PIR should examine the extent to which the implemented regulations have achieved their objectives, assess their costs and benefits and identify whether they are having any unintended consequences. Please set out the PIR Plan as detailed below. If there is no plan to do a PIR please provide reasons below.

|   |
|---|
| <p><b>Basis of the review:</b></p> <p>The Blue Badge reform programme will be reviewed in 2015 to ensure that improvements have been delivered by local authorities, and that disabled people are benefitting from the changes.</p>   |
| <p><b>Review objective:</b></p> <p>Each of the measures in the reform programme including this eligibility extension will be reviewed to check that they are operating as expected.</p>   |
| <p><b>Review approach and rationale:</b></p> <p>Local authorities submit an annual statistical return to the DfT. This will be maintained to monitor trends, including in the number of badges on issue and the number issued under the 2-3 year old eligibility group. A survey of disabled people and local authorities will be carried out to canvas opinions and views on the improvements and impacts on the ground.</p> |
| <p><b>Baseline:</b></p> <p>The figures used in this Impact Assessment to estimate the costs and benefits of this change will form the baseline for the PIR.</p>   |
| <p><b>Success criteria:</b></p> <p>Whether or not this proposal is successful will be fed back to the Department for Transport by the local authorities who operate the scheme and by Blue Badge holders who will benefit from this eligibility extension.</p>  |
| <p><b>Monitoring information arrangements:</b></p> <p>The DfT's annual statistical return from local authorities will identify numbers of badges issued under this criteria.</p> <p>Subject to resources, periodic surveys of local authorities and badge holders.</p>  |
| <p><b>Reasons for not planning a PIR:</b> N/A</p>   |

## **Annex 1 – Equality Impact Assessment**

[see additional attachment for signed copy of Equality Impact Assessment]