

Report Title: Outsourcing Disabled Freedom Pass issue to the Post Office

Forward Plan reference number (if applicable):

Report of: **Director of Urban Environment**

Wards(s) affected: **All**

Report for: **Key**

1. Purpose

- 1.1 To seek Executive agreement to transfer the issue of the Disabled Freedom Passes to the Post Office Ltd.

2. Introduction by Executive Member (if necessary)

- 2.1 In April 2004 Haringey Council successfully outsourced the issuing of the Older Person's Freedom Pass to the Post Office. In light of this success this report recommends outsourcing the issuing of the Disabled Person's Freedom Pass to the Post Office in advance of the renewal in April 2008.

By outsourcing the Disabled Person's Freedom Pass we will provide residents with a consistent service delivery and also create an improved ease of access for residents.

Outsourcing this service to the Post Office will create cost savings for the council of £20,000 over a period of two years and also safeguard jobs at Post Offices.

I fully support the recommendations of this report.

3. Recommendations

- 3.1 That the Executive approve the outsourcing of the Disabled Freedom Passes to the Post Office

Report Authorised by: **Niall Bolger , Director of Urban Environment**

Contact Officer: **Ann Cunningham, Head of Parking**

4. Director of Finance Comments

4.1 The disabled persons freedom passes are renewed every two years. The normal issuing and the bi-annual renewals for about 7000 disabled freedom pass holders are currently undertaken in-house at a cost of approximately £35k. This report proposes to outsource the bi-annual renewals process for disabled freedom passes to the Post Office, which currently charges £1.42p for each renewal equating to a cost of about £10k, saving £20k over a two year period. Freedom passes for the elderly are already issued by the Post Office

5. Head of Legal Services Comments

5.1 The legal implications are stated in the body of this report. Legal should be consulted on any future contractual arrangement.

6. Local Government (Access to Information) Act 1985

6.1 London Councils Contract with the Post Office Ltd

7. Strategic Implications

- 7.1 The Council has a responsibility for the issue of Freedom Passes to residents of the borough who meet relevant criteria.
- 7.2 The Council reviewed arrangements for the delivery of the Freedom Pass Service in 2003. This resulted in the issue of the Older Persons Freedom Pass being outsourced to the Post Office, from 1 April 2004.
- 7.3 It was decided at that time to retain the issue of the Disabled Freedom Pass in-house. The numbers in issue were relatively low when compared with the Older Persons Freedom Pass, and it was felt that the Customer Service Centres could cope with demand. It was also felt prudent at that time to evaluate the new arrangements with the Post Office , before recommending any further changes.
- 7.4 The outsourcing of the Older Persons Freedom Pass to the Post Office has proven extremely successful in terms of improving access and customer service, and has also represented significant costs savings to the Council.
- 7.5 In the interest of consistency in service delivery and also ensuring equitable access to the service, it is felt that the issue of the Disabled Freedom Passes should be outsourced to the Post Office, in advance of the renewal which is due in April 2008.
- 7.6 The transfer of this function to the Post Office Ltd would have no implications for permanent staff.

8. Financial Implications

- 8.1 There are approximately 7,000 Disabled Freedom Passes currently in issue. The annual uptake varies, but is relatively manageable; however the two yearly renewals continue to place extreme pressure on resources. The Customer Service Centres cannot cope within their existing resources and additional staff are engaged for up to 3 months to cope with workloads. This places considerable financial burden on the service and involves levels of training and supervision that exceeds our current management capacity. The cost of the two yearly renewals is estimated at £35,000.
- 8.2 The Post Office Ltd charges a standard rate of £1.42 for the issue of each pass. This would represent an annual charge of approximately £1,500 and £10,000 for the two yearly renewals. This represents savings in the region of £20,000, over two years.
- 8.3 There are also non-cashable savings involved where responsibility for the resource intensive statistical returns will also transfer to the Post Office, freeing up resources to deliver new Concessionary Travel developments.

9 Legal Implications

- 9.1 The outsourcing of the Disabled Freedom Passes to the Post Office, presents no specific legal issues.
- 9.2 The transfer will have no implications for permanent staff, provided that there is no organised group of staff whose principal purpose is to deliver this service. If such an organised grouping exists then the provisions of the Transfer of Undertakings (Protection of Employment) Regulations 2006 could apply concerning the potential transfer of staff.
- 9.3 The London Councils – Transport and Environment Committee is a joint committee of London Boroughs and City Councils under the Road Traffic Act 1991 and Local Government Act 1972. It has entered into an arrangement for the issue of Freedom Passes by the Post Office Limited, which may be taken up by any of its members.

10 Equalities Implications

- 10.1 This proposal will improve access to the service, allowing those who qualify a more convenient way of obtaining their Freedom Pass.

11. Consultation

- 11.1 The proposed changes will be widely publicised to residents by both the Council and the London Councils[formerly the Association of London Government].

12 Background

- 12.1 Freedom Passes are issued for up to two years, with the current issue valid until March 2008. This involves the reassessment of all existing applications to ensure continued entitlement. The bulk issue of these passes continues to place

considerable pressure on the Customer Service Centres, and involves the recruitment of additional staff with a level of training and supervision that places additional pressure on existing management structures.

- 12.2 The recent changes involves the requirement for the individual to submit their existing pass for validation and this involves all applicants attending the Customer Service Centres, whereas in the past some could be handled by post.
- 12.2 Applications may be made for the Disabled Freedom Pass under two criteria, both which require a level of assessment. One criterion technically carries an automatic entitlement, but still requires supporting medical evidence. Applications received under the discretionary criteria are assessed by the Mental Health Team. Applications will still be made to the Council and residents who meet the criteria will be able to pick up their pass from a number of Post Offices across London.
- 12.3 This in practice involves the Council issuing of a letter authorising the Post Office to issue the permit as opposed to current practice which authorises the Customer Service Centres to issue the pass.

13 The Post Office Ltd

- 13.1 The London Councils -TEC [Formally the ALG-TEC] established a contractual arrangement with the Post Office Ltd to issue Freedom Passes on behalf of the London Boroughs. Most London Boroughs now satisfactorily issue their Freedom Passes through the Post Office.
- 13.2 The technology used by the Post Office allows an individual to obtain their pass from around 1000 Post offices across London. From a customer service point of view this increases access and offers a very convenient service.
- 13.3 The London Councils continue to monitor and manage this arrangement on behalf of the Boroughs. They particularly welcome the transfer of this function, from a consistency point of view, but also from the user perspective as the two yearly renewal process is a more pleasant experience for all involved if handled through the Post Office Ltd.
- 13.4 The Post Office Ltd will provide all statistics and management information that we require and will also offer one central point of contact for any police enquiry.

14. Recommendations

- 14.1 That the Executive approve the outsourcing of the issue of the Disabled Freedom Pass to the Post Office.