

1. Directors' Report

1.1 Who we are and what we do

On 2 April 2010, the Driver and Vehicle Licensing Agency (DVLA) celebrated 20 years as an Executive Agency of the Department for Transport (DfT). DVLA (previously the Driver and Vehicle Licensing Centre DVLC) opened for business over forty years ago. Since then, the Agency has been through a radical process of change, moving away from a paper based organisation to a modern and highly efficient electronic business, providing online services to customers.

Our people

At the end of March 2011 the Agency was employing 5,561.3 Full Time Equivalent (FTE) staff. The majority of staff are based in Swansea, but the Agency has 39 local offices with over 1,222.8 FTE staff working for the local network.

Our main responsibilities include:

- maintaining over 44 million current driver records and 36 million current vehicle records, handling around 200 million customer interactions each year as a result
- collecting over £5.7 billion of Vehicle Excise Duty (VED)
- through enforcement action, collecting in excess of £100 million in additional VED
- supporting the police and intelligence authorities in dealing with crime.

We also:

- lead the way in government in providing electronic service channels to our customers drawing on public sector best practice to make such transactions easier and more secure
- seek out opportunities to work in partnership with other government agencies and industry representatives to make our activity more effective and efficient
- contribute to the Government sustainable development (SD) agenda by reducing carbon emissions, energy use and waste.

Our vision:

is to be a modern, highly efficient organisation, providing complete, accurate and up to date information and services that fully meet customer and stakeholder requirements.

Our key purpose:

is to keep complete, accurate registers of drivers and vehicles, and make them as accessible and as flexible as possible to those who have the rights to use them.

These registers underpin action by DVLA, the Police and others to keep road users safe and ensure that the law is respected and observed, allow us to collect VED effectively and can be used to deliver other government initiatives such as traffic management and reducing carbon emissions.

DVLA governance

A full account of DVLA's governance procedures are detailed in our Statement on Internal Control. A brief overview of the building blocks of Agency governance is as follows:

- DVLA is one of the Executive Agencies sponsored by the Department for Transport and plays an integral part in the corporate processes of assurance and risk management.
- The Agency Accounting Officer/Chief Executive chairs an Executive Board (EB) of five Executive Directors and two Non-Executive Directors. The EB meets monthly to review and manage operation performance towards milestones and strategic direction and the progress of the Change Portfolio against its milestones.
- Executive Directors agree personal performance contracts and staff working for each Executive Director are set personal objectives. Performance is formally reviewed both mid-year and end of year with documented evidence of what is delivered.
- The Accounting Officer's responsibilities are to safeguard public money and assets. To fulfil these responsibilities, the Accounting Officer is supported by risk management and an audit programme within the Agency, reporting to an Audit Committee of the two Non-Executive Directors and senior representatives from our sponsor department. The Chief Executive and Finance and Strategy Director attend this committee as observers.

Risk management

DVLA's risk management function is structured to take account of the internal governance structure and external environment to ensure DVLA can deliver its primary purpose and key performance measures. Risk management helps protect DVLA's reputation as a highly effective and efficient provider of services to customers and stakeholders. For more information see the [Statement on internal control in section 4.3.](#)

Disclosure of information to auditors

In so far as the Accounting Officer (AO) is aware, there is no relevant audit information of which the auditors are unaware and the AO has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the Agency auditors are aware of this information.

The purpose of this document

This Annual Report and Accounts should be read in conjunction with the DVLA Business Plan 2010-11. This document sets out our performance and achievements for 2010-11.

This year, we have adopted a different approach to presenting our documents and are treating the internet as our primary way of presenting both the Business Plan 2011-12 and our Annual Report and Accounts 2010-11. We are updating our Business Plan on the internet monthly and quarterly to show progress to date, entirely in line with the Governments Transparency Agenda. As a result, both documents on the website benefit from additional navigation tools to make them more accessible and understandable for our stakeholders and the public. In addition, this has reduced costs for the Agency whilst widening the understanding of what we do. We would welcome feedback and suggestions to improve this new approach through our website. For more information visit <http://www.dft.gov.uk/dvla/publications.aspx>

1.2 What we delivered in 2010-11

Key performance measures		2010-11	2009-10
Better compliance to support improved road safety			
1	<p>Accuracy (traceability)</p> <p>Maintain the accuracy of the vehicle register so that a registered keeper can be traced from details held on record in 95% of cases</p>	Exceeded 97.8% of cases	Exceeded 97.1%
Transforming customer service			
2	<p>Customer satisfaction</p> <p>Deliver the 8 DfT Customer Promises</p>	Achieved all 8 DfT Customer Promises	Achieved all 8 DfT Customer Promises
Improved efficiency and capability			
3	<p>Value for money</p> <p>Complete achievement of the £80.7 million three year target of efficiency savings for 2008-2011 by saving £36.2 million in 2010-11</p>	Exceeded £46 million	Exceeded £32.7 million
4	<p>Finance</p> <p>Deliver financial performance agreed with DfT to at least balance income against expenditure for the 2010-11 year end accounts</p>	Exceeded £24 million surplus	Exceeded £35.1 million surplus
Contributing to wider government objectives			
5	<p>Collecting tax for the Government</p> <p>Collect over £5 billion of VED (net of refunds) and through enforcement action exceed £100 million in additional VED collected for the period 2008-11</p>	Achieved £5.8 billion and through enforcement action collected £109.5 million	Exceeded £5.7 billion and through enforcement action collected over £45.5million
6	<p>Improving insurance compliance</p> <p>Introduce Continuous Insurance Enforcement (CIE) and have started to issue Insurance Advisory letters by 31 March 2011</p>	Not Achieved Insurance Advisory letters will not now be issued until June 2011	n/a

DVLA change programme 2010-11

DVLA has in the past maintained its driver and vehicle registers by processing large numbers of paper transactions delivered by post and moved around by hand. Much of the legislation and regulation that provides the framework for these transactions embedded the necessity for paper transactions into law.

The modernisation agenda has been underway for some time and DVLA has led the way across government in e-services and volume transaction handling. The transformation is still far from complete and the external environment has changed significantly over the last two years to make our response more urgent. The table below details our achievements and progress during 2010-11.

Performance against our change programme 2010-11	Milestone date	Performance 2010-11
Product improvements		
Payment Card Data Security Standards To ensure that the Agency's systems are compliant with the Payment Card Industry Data Security Standards (PCI-DSS) as mandated by the Payment Card Industry Council (MasterCard/Visa)	March 2011	Ongoing EVL delivery date now agreed with Industry to be December 2011
EU 3rd Directive A feasibility study that will assess the impact of the European Union 3rd Directive on driving licences, develop options to meet the requirements of the Directive and identify a preferred option that balances customer service, cost and ease of implementation	March 2011	Achieved Strategic Business Case drafted
Driver licence check support A feasibility study to produce an outline business case which will define options to introduce Chip and PIN to provide adequate security for driver register enquiries, delivering significant revenue generating transactions and reduction of effort for businesses seeking to comply with legislation. Proof of concept for cross-Government credentials strategy and Access to Public Services	March 2011	Achieved Strategic Business Case under development
Continuous Insurance Enforcement 1. Publicity Campaigns 2. Implementation of CIE (Enforcement Release)	March 2011	1. Ongoing new date May 2011
		2. Achieved
European Community Whole Vehicle Type Approval/CO₂ To develop changes to current processes to support the introduction of the Individual Approval Scheme which replaces the single vehicle Approval (N1 & M1 vehicles) from 29 April 2009 and expansion to further vehicle types over the next five years	2010-11	Achieved
Certificate of Professional Competence (CPC) Phase2 Deliver significant enhancements to the existing CPC systems that support Driving Standards Agency training regulations	August 2010	Achieved
Budget changes (2008) Phase 3 Delivery of the final set of Budget changes introduced, for implementation in April 2010	April 2010	Achieved
Northern Ireland Vehicle Information System (NIVIS) Conduct a feasibility study to identify and define options to relocate Northern Ireland vehicles register systems to Swansea and live running of the re-platformed systems, a precursor to providing online services for NI vehicle keepers	March 2011	Achieved
Government Banking Services Mandatory transition from the Office Paymaster General (OPG) bank accounts to GBS. Live running from April 2010, providing full cross-Government readiness confirmed	April 2010	Achieved

Directors' Report

Internal efficiency and accuracy		
<p>DLO Enhancement and Capability Review (DECR)</p> <p>To increase the first time success of the range of online driver transactions already introduced, reducing second stage applications, enquiries and paper transactions</p>	September 2010	Achieved
<p>Automated casework</p> <p>Conduct a Feasibility Study to identify the benefits of utilising the Oracle Business process Manager (OBPM) software along with improved business processes for casework in the Drivers Medical area</p> <p>The study will also project the derived costs/benefits across Drivers Medical casework and DVLA operational processes in order to inform the investment decision for a subsequent delivery project</p>	April 2010	Achieved Wider casework issues now also under consideration before delivery option decided
<p>Driving licence renewal web channel</p> <p>A feasibility study to develop and define options for an online channel, which will allow transactions requiring a new photograph (obtainable from Identity and Passport Service or UK Borders Agency) to be undertaken online</p>	May 2010	Achieved New systems live March 2011
<p>NI Electronic Services</p> <p>Identify options for delivering electronic vehicle services (Electronic Vehicle Licensing and full bar coding application to the Post Office®) to Northern Ireland. This builds on the NIVIS relocation and the preferred option will be taken forward in year</p>	2010-11	Achieved Delivery project commenced April 2011
<p>E services Phase 2</p> <p>A feasibility study to develop options for an online service for the renewal of Drivers Medical short period driving licences. The options will investigate automating data capture on complex customer facing transactions to minimise manual transaction handling and casework</p>	2010-11	Study on hold New review date February 2012
<p>Information Capture Data Archiving+</p> <p>Decrease the cost of data capture by centralising and streamlining scanning and increase the percentage that is Optical Character Recognition (OCR) and Intelligent Character Recognition (ICR) processed</p>	2010-11	Ongoing new date end of 2011
<p>Project & Programme Management Tool</p> <p>The Agency will implement a software tool within the Project and Programme Management (PPM) community that aims to improve project and programme management processes, reducing administrative costs and making management information more effective</p>	October 2010	Achieved
<p>CISx</p> <p>Increase the number of driver's first applications that can go through the single stage route by using Department of Work and Pensions CISx system to authenticate identity. Through collection of the National Insurance number from customer or CISx, provide a conduit for 'tell us once' notifications – bereavement and address changes as signalled in smarter government, but also changes of name if pursued in the future</p>	October 2010	Ongoing Date reworked in consultation with DWP – will go live June 2011
<p>Ten year renewals 2</p> <p>Commence new service at the Post Office® counters</p>	April 2010	Achieved Roll-out completed 752 branches in November
<p>Extend the service to 750 Post Office® branches</p>	September 2010	752 branches
<p>MOT</p> <p>Technical improvements and upgrade to current Local Service Network MoT certificate replacement system</p>	September 2010	Achieved

Information communication technology maintenance		
Weblogic upgrade Ensuring that the Weblogic product set (i.e. Weblogic portal (WLP), Weblogic Integration (WLI) and Weblogic Server Platforms) will be using supported components going forward	2010-11	Ongoing new date Summer 2011
Technical refresh Rolling programme ensuring the hardware, software and applications remain security compliant and within technical support	2010-11	Achieved (all 10-11 activities complete)
VSS Stack refresh A large-scale technical refresh to support main vehicles system software	2010-11	Ongoing new date end of 2011
CASP Stack refresh Large scale hardware and software technical refresh and upgrade to internal casework system	2010-11	Ongoing new date end of 2012
Security (portfolio) Security enhancements and fixes to known or discovered security issues and risks (i.e. security software upgrades and new security related installations)	2010-11	Achieved (all 10-11 activities complete)
Service improvement portfolio Technical enhancements (i.e. single points of failure removal and new improved scanning solutions)	2010-11	Achieved (all 10-11 activities complete)
Desktop upgrade (inc Electronic Point of Sale) Upgrade and replacement of all DVLA out of support desktops and Local Services Network Point of Sale system (inc. peripherals)	2010-11	Ongoing new date Summer 2011
Migration out of Salford Removal of remaining web services from Fujitsu's Salford Data Centre	2010-11	Achieved phase1 (Ongoing date end 2012)
Data centres Migration of services from over subscribed and ageing Swansea data centres to new purpose-built facilities	November 2010	Achieved
Test environment 3 Complete the delivery of new test environments to support vehicles programme. The first application will be for Continuous Insurance Enforcement testing	2010-11	Achieved
Technical vulnerability reduction Delivering a revised network and application architecture to improve technical security controls– including migration of key web services to the new architecture	2010-11	Achieved
Identity and access management Process and technical security based upgrades	December 2010	Achieved
Migration of print Migration of the remaining documents composed by Fujitsu on the mainframe to in-house system	2010-11	On hold

Customer service

In 2010-11 the Agency met all of 8 DfT Customer Promises. The promises are supported by 19 Customer Service Measures and the 'Customer Service Excellence' standard.

DfT Customer Promises

1	Provide a full response to enquiries quickly.
2	Provide a full response to complaints quickly.
3	Respond to telephone calls promptly and endeavour to resolve all enquiries at the first call.
4	Use reliable and accurate methods to measure customer satisfaction on a regular basis.
5	Provide our customers with information that is clear, accurate and complete. If we do not have all the information required, we will advise customers when they will receive the information they requested.
6	Ensure that our staff are polite and friendly to customers at all times and understand our customer needs.
7	Make information about the full range of services we provide available to our customers and potential customers, including how and when people can contact us, how our services are run and who is in charge.
8	Make particular efforts to identify hard to reach and disadvantaged groups and individuals and have developed our services in response to their specific needs. We have policies and procedures that support the right of all customers to expect excellent levels of service.

Customer service measures

	Target 2010-11	Result
Driving Licences		
To deliver a first driving licence within 8 working days	98%	✓
To deliver a vocational licence within 8 working days	98%	✓
To deliver an ordinary driving licence within 10 working days	97%	✓
To deliver a digital tachograph renewal in 14 working days	98%	✓
Medical investigations		
To conclude a simple case within 15 working days	88%	✓
To conclude a complex case (one that requires further medical investigation) within 90 working days	85%	✓
Vehicle registration document		
To deliver a first registration document, excluding cherished transfers, within 14 working days	95%	✓
To deliver a change on a registration certificate within 14 working days	95%	✓
To deliver a registration document from an application (notifying changes to the registration certificate) within 30 working days	95%	✓
Vehicle Excise Duty refunds		
To deliver a refund due within 30 working days	95%	✓
Customer service		
To answer call demand	95%	✓
To deliver quality of service in the Contact Centre	85%	✓
To answer an email within 3 working days	95%	✓
Keep average local office queuing time to no more than 15 minutes	15:00	✓
To deliver a Cherished Transfer within 7 working days	95%	✓
Customer complaints		
To acknowledge a complaint within 1 working day	100%	✓
To maintain or improve on last year's performance sending a substantive response within 10 working days	98%	✓
MP correspondence		
To acknowledge correspondence within 1 working day	98%	✓
To maintain or improve on last year's performance sending a substantive response within 7 working days	98%	✓
Overall target	To achieve 17 of 19	Exceeded 19 of 19

New customer services

New service at the Post Office® – in April 2010, the Agency introduced a new electronic service at Post Office® branches where drivers' photographs are captured and sent to the Agency by a secure electronic link. The service is now available at 752 Post Office® branches. For more information visit http://www.direct.gov.uk/en/Motoring/DriverLicensing/NeedANewOrUpdatedLicence/DG_078070?pro=TYR_PO_Spotlight

Late reminder letters – in April 2010 a new late reminder letter was introduced to those who failed to tax their vehicle or make a Statutory Off Road Notification (SORN). The introduction of the late reminder letters has resulted in an increase in compliance and a reduction in enforcement volumes. The Agency continues to encourage customers to tax or make a SORN online.

Vehicle tax refund – to improve customer service, the Agency, in conjunction with Direct.gov have introduced an online form for customers to apply for a vehicle tax refund. In addition, other changes have reduced the number of refund related calls answered at our Contact Centre by 70 per cent. For more information visit http://www.direct.gov.uk/en/Motoring/OwningAVehicle/HowToTaxYourVehicle/DG_10012526

Driver licence fees – in February 2011, a new fees page for driver transactions linked to our driver forms was placed on Directgov. This will help customers easily find out the correct fee for the type of application. This will also reduce avoidable calls to our Contact Centre. For more information visit http://www.direct.gov.uk/en/Motoring/DriverLicensing/NeedANewOrUpdatedLicence/DG_4022089

Electronic driver entitlement checking service – the Agency rolled out its electronic driver entitlement checking service which now serves 18 commercial customers. We received over 800,000 enquires in 2010-11 and expect to reach around 1.6 million in 2011-12.

Improvements to online service to the motor industry – in 2010 the Agency introduced a new indemnity calculation for motor industry customers

that use the Automated First Registration and Licensing system. This resulted in a £20 million reduction in financial exposure on the motor industry.

New office opens in Leeds – in April 2010, DVLA's replacement office opened in Leeds. The office provides customers with improved facilities. Customer friendly online facilities now complement a new face to face bespoke customer management area enhancing customer service.

Wider government objectives

New European driver medical standards

In February 2011 DVLA launched a consultation on proposals for changes to the driver licensing standards on eyesight, epilepsy and diabetes. Views are being sought on the implementation of new European minimum standards for drivers. Responses will be analysed and will inform an impact assessment on options for change for consideration by department ministers.

Identity fraud

During 2010-11 the Agency continued to work in partnership with other government departments and the Police to help reduce and detect identity fraud. DVLA also supported the National Fraud Authority and National Fraud Intelligence Bureau in their development of a strategic threat assessment for identity fraud.

Government Gateway

The Government Gateway is a website used to register for online government services. It is an important part of the Government's strategy of delivering 'joined up' government, enabling people to communicate and make transactions from a single point of entry.

DVLA's Driving Licence Check (DLC) is a web service accessed through the Government Gateway. The service is currently accessed by the Government Car and Despatch Agency, Transport for London and Bristol, Manchester, Essex, North Devon and Doncaster Councils.

Interest in the service has been received from 200 local authorities. In 2010-11 over 2,417 enquiries were received through the web service with a forecast of 20,000 for 2011-12.

Driver qualification card

DSA and DVLA successfully delivered a new database of European lorry, bus and coach drivers who apply for a driver qualification card. For more information visit http://www.direct.gov.uk/en/Motoring/Drivingforaliving/DG_186131

Sustainable development

During 2010-11 DVLA had some notable successes, including accreditation for the ninth consecutive year to our environmental system ISO14001. We were also successful in attaining certification for all 39 of our local offices to this standard.

DVLA has introduced a sustainable risk assessment process to our procurement procedure. This ensures the impact on society, the economy and the environment are fully considered before we procure goods or services.

Carbon for travel

During the year, we reduced the amount of CO₂ produced from our business road travel by -47.3 per cent, from our baseline year in 2005-06. This equates to approximately 1.5 million less miles per year travelled in 2010-11 compared to 2005-06. Travel is an essential element of our activity as the Agency has a distributed network to maintain, a large number of data audits to undertake and prosecutions in courts right across the country.

Waste reduction and recycling

The Agency is continually reviewing its practice and has a number of projects underway to review the resources consumed. For example, we are looking at refining the numbers and types of envelopes and leaflets currently being used.

Waste minimisation has been a focus for environmental management this year. We have worked with the Welsh Assembly Government 'Waste Minimisation' campaign to find new and innovative ways to reduce waste.

This year we have recycled a total of 74 per cent of our total waste against a target of 40 per cent. We have introduced food recycling in our staff restaurant at Swansea and have also started to recycle some of our waste plastic. We are continuing to look at ways to make further improvements.

Energy

In 2010-11 the Agency carried out a full review of its energy use across the estate including our combined heat and power plant. We have implemented many of these improvements. These include rationalising space in our main office which has allowed a separate building to be vacated, the removal of powered floor fans from Data Centres, closing some of our offices between Christmas and New Year and improving the insulation of the main building roof.

The Agency is aware that the total energy consumption is increasing. We believe this is due to our increased use of IT to improve the efficiency of our operational business. We are considering all the actions as recommended by Greening Government Information Communication Technology and are looking at detailed analysis of the IT power usage to establish how to minimise the energy use. During the past year we have also researched the feasibility of producing our own energy from renewable sources, and are working towards the right solution.

See Appendix 3 for commentary on sustainability performance.

2. Management Commentary

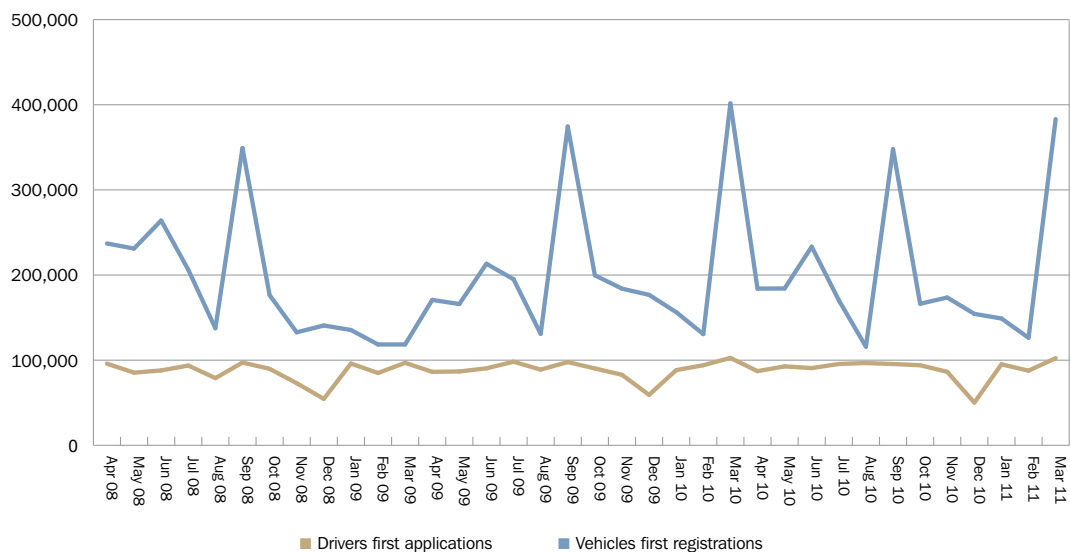
2.1 Business analysis

This section of the report comments on trends in transaction volumes, managing finances through 2010-11 and our responsibility for collecting Vehicle Excise Duty (VED).

New customers

First applications for a driving licence have remained broadly stable at a little over one million a year for at least the past four financial years. By contrast first vehicle registrations fell by 564,205 (18.7 per cent) in 2008-09 compared to the previous year as a result of the recession. The following year saw a stabilisation/rally largely as a result of the scrappage scheme but volumes have largely remained at subdued levels. In 2010-11, without the scrappage scheme and with a full year impact of the recession, the number was the lowest DVLA has experienced over the last 15 years by a further 60,551. This means the transaction volume fall from the 2007-08 high was 20.7 per cent.

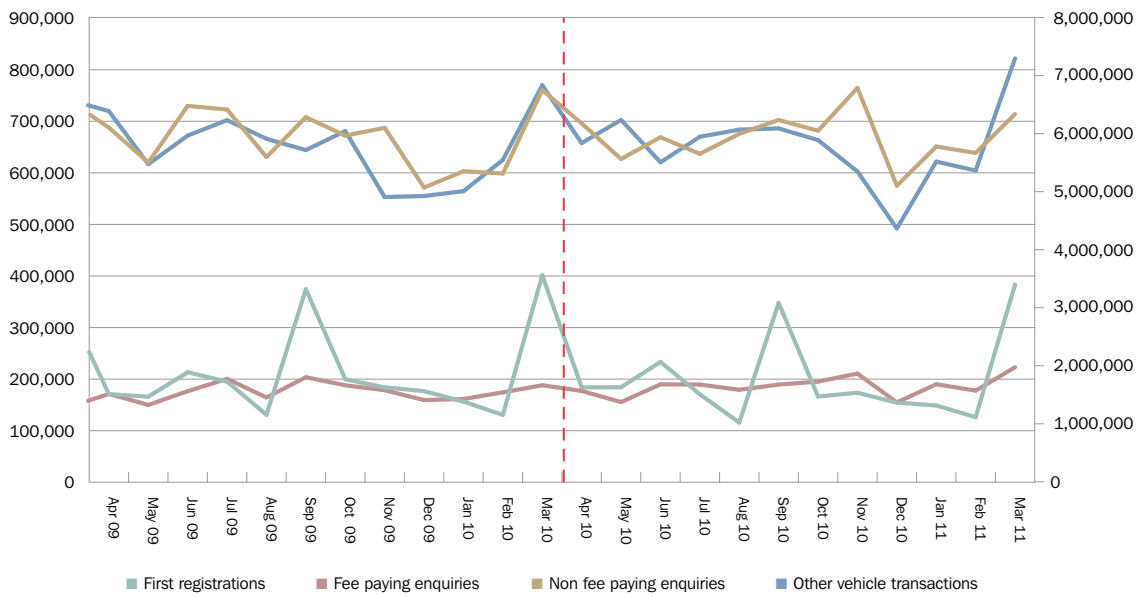
Driver first applications & vehicle first registrations
2008-09 to 2010-11



Vehicle transactions

Total vehicle transactions were down by 1,872,228 (2.2 per cent) over the past two years. Electronic Vehicle Licensing (EVL) hit a peak of 227,610 transactions on the single day of 28 February 2011. In total for the year, there were 21,712,162 EVL transactions, (51.3 per cent of all vehicle licensing transactions) an increase of 1,567,291 (7.8 per cent) compared to 2009-10.

Vehicle transactions 2009-10 to 2010-11

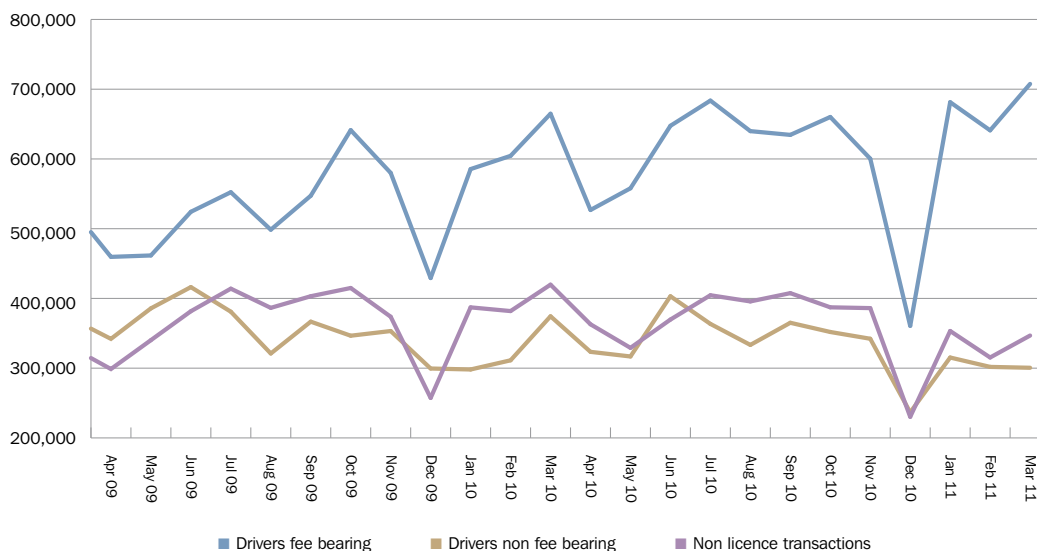


Note: Left hand axis for First Registration & Fee Paying Enquiries – Right hand axis for other transactions

Driver transactions

Total driver transactions have risen by 144,100 (10.2 per cent) over the past two years. During the year, the Agency handled 2,112,321 ten year renewal applications, up 646,793 (44.1 per cent) compared to the previous year.

Driver transactions 2009-10 to 2010-11



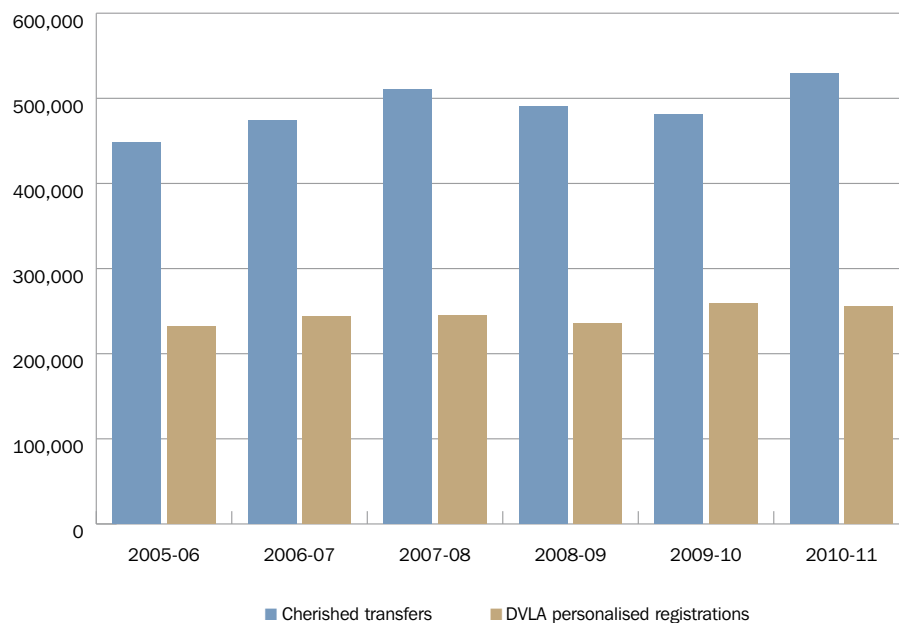
Enforcement cases

During the year 98,236 vehicles were wheel clamped because the registered keeper had not paid Vehicle Excise Duty (VED) or for a similar infringement of the law, 1,332 (1.3 per cent) down on the previous year. 105,775 vehicle owners paid their VED as a result of enforcement action by the Agency, 28,141 (21 per cent) down compared to the previous year. 279,668 continuous registration enforcement cases were completed during the year, 104,214 (27.1 per cent) down.

Premium transactions

Transactions that more than cover cost, with the surplus handed over to Treasury have remained stable or shown modest increases during 2010-11.

**Cherished transfers & DVLA personalised registration volumes
2005-06 to 2010-11**



Medical cases

During 2010-11 the Agency closed 719,027 medical cases. This was an increase of 75,934 (11.8 per cent) compared to the previous year. Of the licensing decisions required, 247,094 full licences and 196,531 short period licences were issued. 30,993 were either refused or revoked.

Customer enquiries

In 2010-11 DVLA's call centre received 23,490,294 enquiries and local offices dealt with 2,428,727 visits to conduct business across the counter. The average time customers spent waiting in a local office was 9 minutes 54 seconds, a 19 second (2.8 per cent) improvement compared to the previous year.

Accuracy of the record

DVLA's key purpose is to keep complete, accurate registers of drivers and vehicles and make them as accessible and as flexible as possible to those who have the rights to use them.

In 2010-11 the Agency carried out an accuracy survey with customers which showed that 97.8 per cent of vehicle keepers can be traced from details held on the vehicle record.

Better regulation

Reducing the amount of regulation is a government priority. Where regulation is shown to be necessary, it should be proportionate to the problem addressed, accountable to Parliament, consistent in impact, transparent to the public and targeted at the heart of the problem.

The Government have introduced the requirement that for every domestic regulation introduced that places costs or burdens on business, another regulation will be repealed.

During the year two pieces of legislation that the Agency is responsible for relating to sale of DVLA personalised registrations have been opened up to consultation over ways that the burden on business might be reduced.

2.2 Finances and efficiency

DVLA collected £5,782 million of Vehicle Excise Duty (VED) during the year, net of £201 million refunds processed. In addition, the Agency collected £31 million net (£49 million gross fines collectable net of cost of commercial debt collectors employed less £18 million written off) of fine and penalty income through enforcement action. The net incomes from these activities are delivered into the Consolidated Fund and are accounted for in the DVLA Trust Statement for 2010-11. The costs of undertaking these activities are reflected in the DVLA Business Accounts.

Our Business Plan for 2010-11 aimed for a surplus of £1.7 million. However, whilst exceeding our income expectations by just £5 million (0.7 per cent) the Agency instigated a number of additional cost reductions which contributed to the Agency's final outturn of a surplus of £24 million.

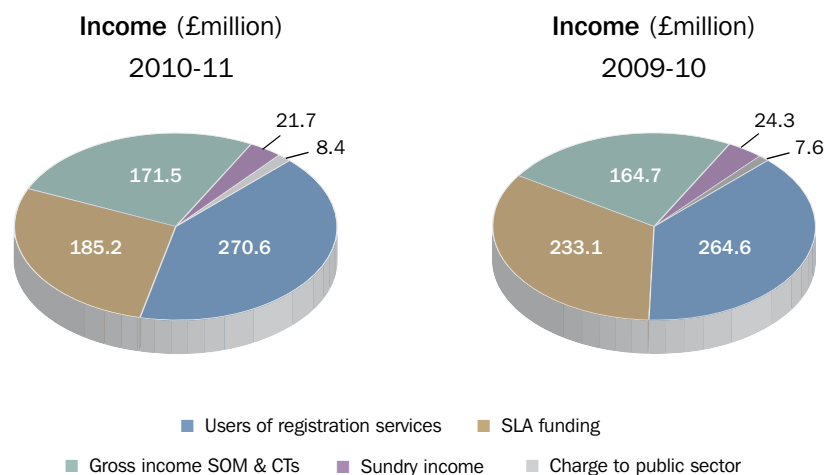
Prompt payment

In line with government policy, the Agency is committed to pay 80 per cent of invoices within five days and 98 per cent within 30 days. In 2010-11 we exceeded our targets achieving 86.9 per cent in five days and 99.7 per cent within 30 days.

Income

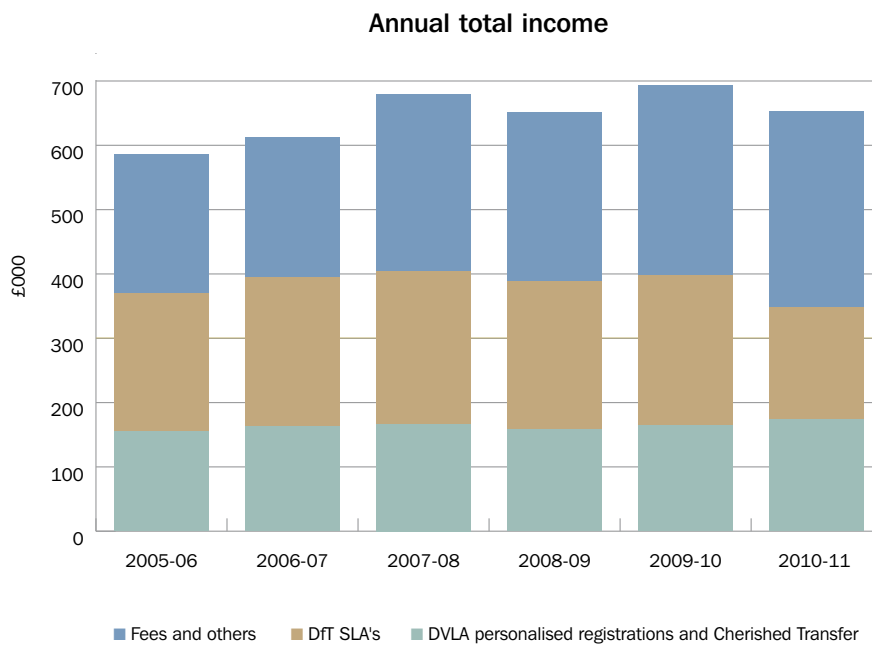
The Agency receives income from a number of sources, as reflected in the Business Accounts:

- fees and charges for vehicle registration and driver licensing
- proceeds of sale and transfer of DVLA personalised registrations
- from the Department for Transport (DfT) through Service Level Agreements (SLAs) for collecting and enforcing VED, based on the number of transactions processed and the unit costs through the different channels used, together with investment for development of related systems and restructuring costs
- from other public sector organisations for use of our services and facilities
- commercial charges that not only fully cover costs but also make a contribution to the cost of systems upkeep and replacement, reducing the burden on statutory fee payers.



The total gross income for the year from operations is £657.4 million. This is £36.9 million below that for 2009-10 but is £5 million above the forecast in our Business Plan.

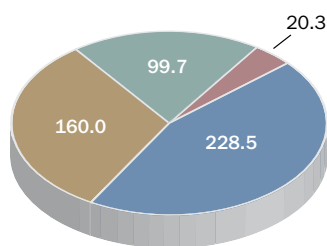
The reduction in income from 2009-10 to 2010-11 is mainly due to a lower volume of vehicle registrations and the reduction in funding which was received directly from DfT. In overall terms, the long-term trend for income can be summarised in the following annual total income chart.



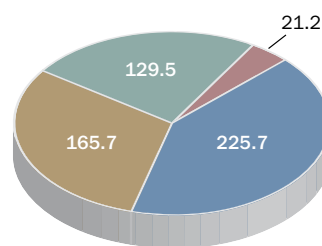
Expenditure

The Agency's total operating expenditure has dropped from £542.1 million in 2009-10, to £508.5 million in 2010-11 a reduction of 6.2 per cent in cash terms but with business volumes generally at around the same levels. The only significant fall in business as a result of the general economic slowdown was in the number of vehicle first registrations as noted earlier in the analysis of new customers. The split of operating expenditure is given in the following operating expenditure charts.

Operating expenditure (£million)
2010-11



Operating expenditure (£million)
2009-10



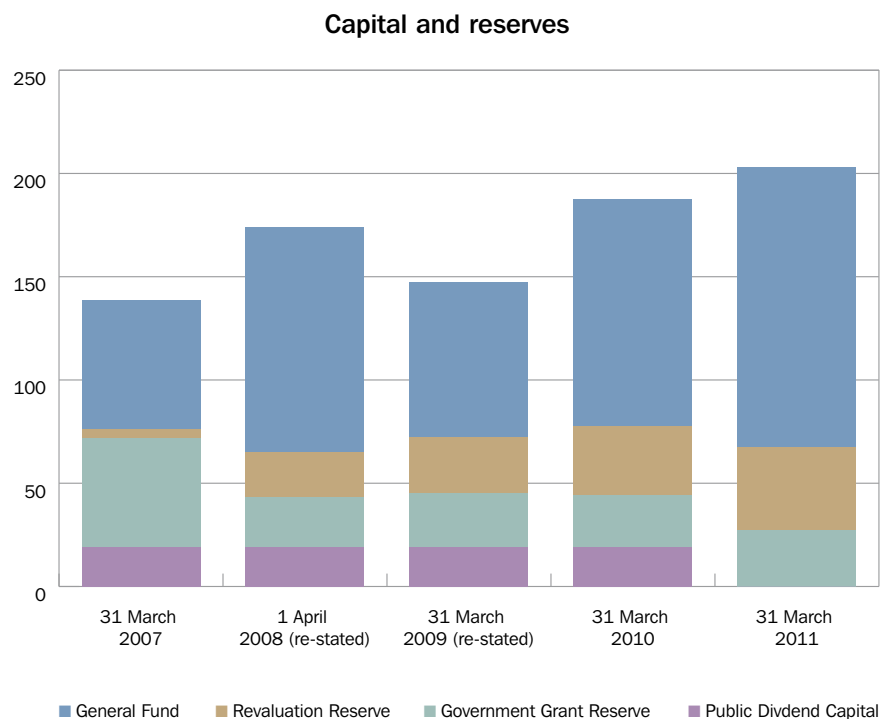
■ Outsourced ■ Staff costs ■ Internal operations ■ Net depreciation

Although the cost of work undertaken by others on our behalf has increased in monetary terms, compared with 2009-10, the increases lie in only two areas. Work undertaken by the Post Office® in 2010-11 contained an increased volume of work, (the result of ten year renewals of photocard driving licences) and medical reports provided by medical practitioners, again due to an increase in the volume of business conducted.

Agency capital and reserves

The Agency has a major programme of investment in Information Communication Technology (ICT) with capital investment funded from the General Fund (retained surpluses). The Trading Fund status was revoked on 1 April 2011 and the Public Dividend Capital was repaid in March 2011 in anticipation of this revocation, being replaced by a loan from DfT which is shown under current and non-current liabilities on the Business Accounts Statement of financial position.

The capital and reserves table below shows how reserves have moved over the past five years.



The Government Grant Reserve has built up over recent years to match the value of assets funded directly through the VED SLAs for tax collection/enforcement. The release of the Government Grant Reserve each year offsets the depreciation charge on the corresponding assets. From 2011-12 the option to offset the grant against the cost of the asset has been withdrawn under the Government's Finance Reporting Manual (FRM) and therefore, the balance on the Government Grant Reserve will be transferred to the General Fund.

Asset management strategy

The major assets for DVLA are its ICT systems and its accommodation assets. The DVLA Strategic Agenda sets out the future intent for these assets in terms of future support and business direction.

The core DVLA estate in Swansea is freehold, sited on Crown land. Buildings have been refurbished over the last five years through a Private Finance Initiative (PFI) contract with Telereal Trillium, which also covers the facilities management services throughout all our offices. The local office network is in leased accommodation or in shared premises with other government organisations occupied through memorandum of terms of occupation agreements. There are no additional properties or surplus estates receipts envisaged, although DVLA anticipates reducing its leased accommodation costs in the future. The Agency continues to explore sharing arrangements with other government agencies as our leases near expiry and in keeping with the drive to share resources and deliver efficiency across government. In recent years, DVLA has already vacated two leased buildings in Swansea through use of the PFI arrangements, as a result of staff reductions, non-territorial working and HQ refurbishment.

Efficiency

For the three-year period ending 31 March 2011, the Agency was set an efficiency target of £80.7 million, split between the three financial years £19.5 million, £25 million and £36.2 million respectively. Overall the Agency has exceeded its three-year target by realising £98.2 million of efficiencies in total and achieved the individual annual targets culminating in £46 million for financial year 2010-11. It also received a 'green rating' from the National Audit Office indicating robust evidence of measurement in year one.

Initiative	Delivery plan 2010-11	Outturn 2010-11
	£m	£m
Productivity	27.2	36.0
Service Transformation	4.7	6.0
Re-focussed Compliance	2.0	2.0
Estates Framework	2.3	2.0
Total efficiency gains	36.2	46.0

As part of the wider government agenda, the Agency set itself in its Strategic Agenda a challenging target starting in April 2011, of achieving £100 million in cost savings by 2015 compared to the Business Plan previously agreed for 2010-11. To date £21.3 million of efficiencies have been identified that contribute to this target. The position will be reported in future commentaries on a cumulative basis.

The cost saving initiatives put in place by the Agency in the year arose from a thorough review of our expenditure. Initiatives were instigated directly by the Agency as well as working with the Cabinet Office to examine the cost of services provided by major contractors to HM Government. We have been successful in reducing publicity and marketing costs by 88.5 per cent with negligible effect on VED collection rates. A review of postal costs has enabled us to switch from first class postage to second class for those transactions where the need for next day delivery was not justifiable. In addition, we have reviewed the use of inserts sent out with such documents as the vehicle registration certificate, the driving licence and the VED reminder letters. By the end of 2010-11 we had reduced overall usage of inserts on an ongoing basis by 96 million with an annualised ongoing saving over £2 million.

DVLA has developed a new no cost/low cost marketing strategy in response to the Government's decision to reduce all government advertising and marketing spend. This presents a unique opportunity for the base-lining of previous marketing effectiveness and to establish new 'value marketing' in the public sector. The new strategy ensures targets for the range of DVLA products are achieved despite the absence of 'paid for' advertising. We continue to monitor VED compliance rates very closely to ensure that this shift in approach does not significantly impact our collection, as each 1 per cent movement equates to more than £50 million lost revenue.

Government Banking Service (GBS)

The Agency successfully switched all of our banking systems from the Office of the Paymaster General to the new banking arrangements with the Royal Bank of Scotland Group and Citicorp that are integral to the services provided by GBS. This provides more electronic banking services to DVLA, reduces our costs and we have contributed towards the overall economies of scale, with our £70-80 million banking transactions, to maximise benefits for the new pan-Government contract.

DVLA personalised registrations

In 2010-11 the Agency achieved an income of £83.3 million through its personalised registration scheme. This exceeded the forecast of £77.8 million for the year by £5.5 million.

The '11' series launch is credited with a significant proportion of this impact. In 2011-12 the Agency intends to retain this level of income with the release of previously issued registration numbers, some of which could carry significant individual value.

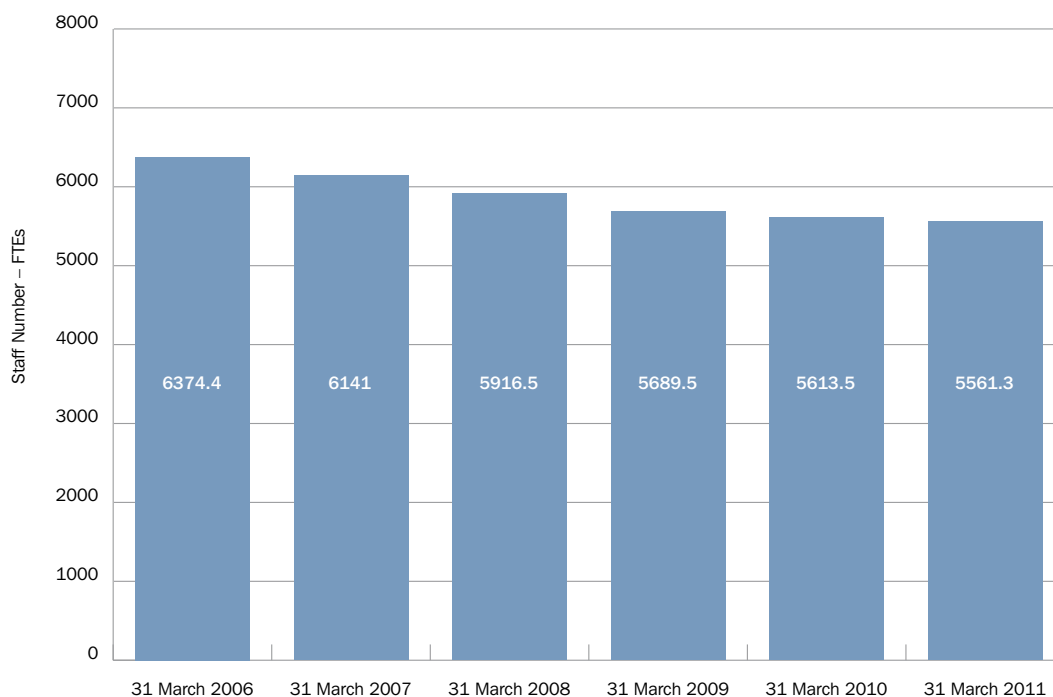
Workforce

We continue to reduce our staff numbers through productivity, automation and compliance initiatives, whilst at the same time absorbing additional work, for example increased telephone calls resulting from the issue of the 'last chance' licensing reminders. The impact in 2010-11 of this additional work was around 35 Full Time Equivalents (FTE), but at the same time we have cut down on overtime expenditure.

The table below shows the overall reduction in the number of FTE staff in place at the end of each of the last six financial years. In 2010-11 DVLA continued to reduce its dependency on contract/agency staff so that any reductions in staff numbers reflect genuine productivity gains and streamlining processes rather than substitution.

Since May 2010, there has been no new recruitment into the Agency other than into positions where for security or urgent business need there is no real alternative and then only with the express approval of DfT.

Workforce at each year end



Sick absence

The Agency reached an unacceptable high during 2005, averaging 14 days per person and costing £10.3 million. Absence clearly needed to be addressed and improving wellbeing and staff engagement were considered key to achieving efficiency and increasing productivity.

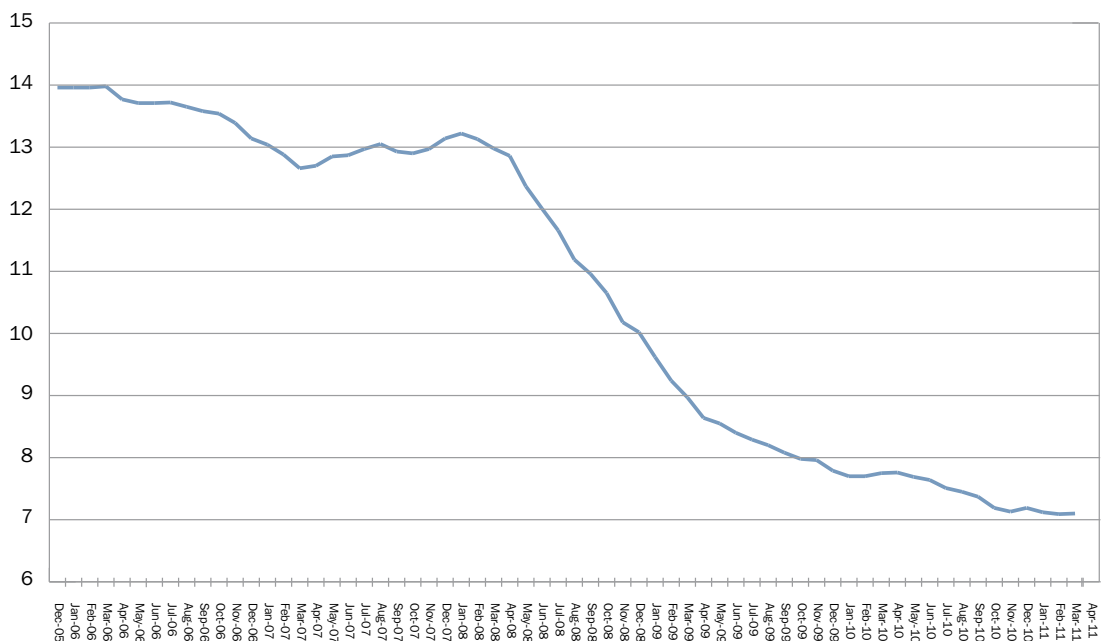
The Agency prioritised its response by developing strategic approaches to:

- continuously improve against stretch targets for levels of sickness absence
- develop a fully engaged, inclusive workforce.

This work has delivered excellent results with sick absence rates almost halved at a current (annual) average of 7.12 days. The Agency has benefited by having more than 200 additional staff in work each day compared to 2005 and this has significantly contributed to efficiency gains for the year.

Sick absences rolling total (DVLA inclusive of SSC)

Average working days lost per employee



Health and safety

A dedicated health and safety team provide training as well as conducting an 18 month rolling programme of inspections. The table below picks out a selection of courses provided.

Health and safety training	Number of participants	
Course title	2010-11	2009-10
Health and safety for managers	201	16
First aid at work	58	8
First aid at work refresher	30	26
Emergency aiders	26	15

The inspection programme is up-to-date. Health and safety was audited internally and judged acceptable.

Accountability

2010-11	Parliamentary question	Ministerial reply	Reply to Member of Parliament	Chief Exec reply	Official reply	Reply to complaint
Total	92	544	1,544	1,203	1,337	3,087
Late	3 (3.2%)	8 (1.5%)	5(0.3%)	n/a	n/a	12 (0.4%)

Disability

DVLA equality policies promote and support diversity and equal opportunity. The Agency has been re-accredited with the 'Two Ticks Positive about Disabled People' symbol in recognition of its actions to support disabled people in the workplace.

The Agency carried out a disability survey in 2010 to confirm and focus the steps the Agency makes to help customers and staff work on an equal basis. In 2010 a new internal diversity intranet site was set up to make it easier for staff to locate information. 'Diversity week' was supported by staff networking groups and diversity champions.

Staff engagement

During the year the Agency continued to communicate regularly with staff and consult with the PCS trade union in respect of its members. Quarterly meetings are held with the Employee Representative Group which consists of staff from across the Agency. These meetings provide staff with the opportunity to air their views on matters affecting them and the Agency. In response to an invitation to staff, over 300 ideas have been put forward as part of the Safeguarding our Money campaign to reduce costs and increase efficiency.

DVLA's annual engagement survey showed an increase of positive responses to 59 per cent.

Next Generation

DVLA has completed the restructure of its HR function in line with the DfT 'Next Generation' HR initiative. The Agency is also playing an active role in learning and development, resourcing and policy expert services across the civil service.

During 2010-11, DfT implemented a centralised model for all resourcing activities, with the new DfT resourcing group located at DVLA's main Swansea offices. The Agency contributed to the standardisation of the Department's recruitment and selection processes to support this model.

In addition we have:

- transferred learning and development provision management to the Highways Agency
- transferred HR policy development and maintenance to the Department for Work and Pensions
- successfully multi-skilled over 400 staff throughout the Agency to increase their skills and confidence in HR. This has enabled a huge amount of cross working within central operations.

Procurement and contracts

Negotiate/extend existing contracts to deliver greater value and effectiveness

The Efficiency Reform Group within the Cabinet Office have targeted certain categories of spend. This will maximise the potential to exploit economies of scale as part of the Government's buying power. DVLA has extended some of its contracts to fall in with the new Government contracts. Examples of contracts that fall into this category are office stationery and various printing contracts such as forms and vehicle excise licences.

As part of this agenda, DVLA are acting as lead body for some of these Government frameworks, such as Card consumables and Merchant Acquiring.

In response to the Government Spending Challenge, in 2010-11 the Agency held its first two supplier forums followed up by individual meetings to further explore opportunities. The results were both informative and encouraging in that all the suppliers involved agreed that the forums have been extremely positive and that they could help DVLA achieve greater efficiencies through greater joint working.

Information Technology (IT) outsourced contract

The contract for IT and transformation services with IBM/Fujitsu was extended to 2015 in November 2009. As part of the renegotiation, some services are now provided at a lower cost. In 2010-11 savings were £17.3 million. Discussions led by the Cabinet Office with key government suppliers achieved additional savings in respect of DVLA in 2010-11 of £11.5 million and £5 million from IBM and Fujitsu respectively (£0.3 million above target). Other savings include the roll-out of the driver licence ten year renewal at the Post Office® and the revised post office agreement.

Post Office® Limited

During 2010-11 752 Post Office® branches began providing services of image capture and detail changes for photocard driving licences.

Private Finance Initiative contract with Telereal Trillium

During 2010-11 Telereal Trillium completed the refurbishment of the Swansea estate.

Medium outsourced contracts

The Agency has worked closely with DfT and the Cabinet Office to ensure that a consistent approach has been taken for category management function. For example, DVLA now take the lead for office supplies.

DVLA is the largest purchaser across government for a number of specific services, for example, merchant acquirer services and the provision of blank polycarbonate cards (which we use for driving licences) and wheelclamping activities. The Agency initiated procurements for these three categories in 2010-11 and will sign new contracts in 2011-12. For the first two, we are working with other government agencies and departments to leverage our economic scale to provide them with access to these services and deliver joint cost savings.

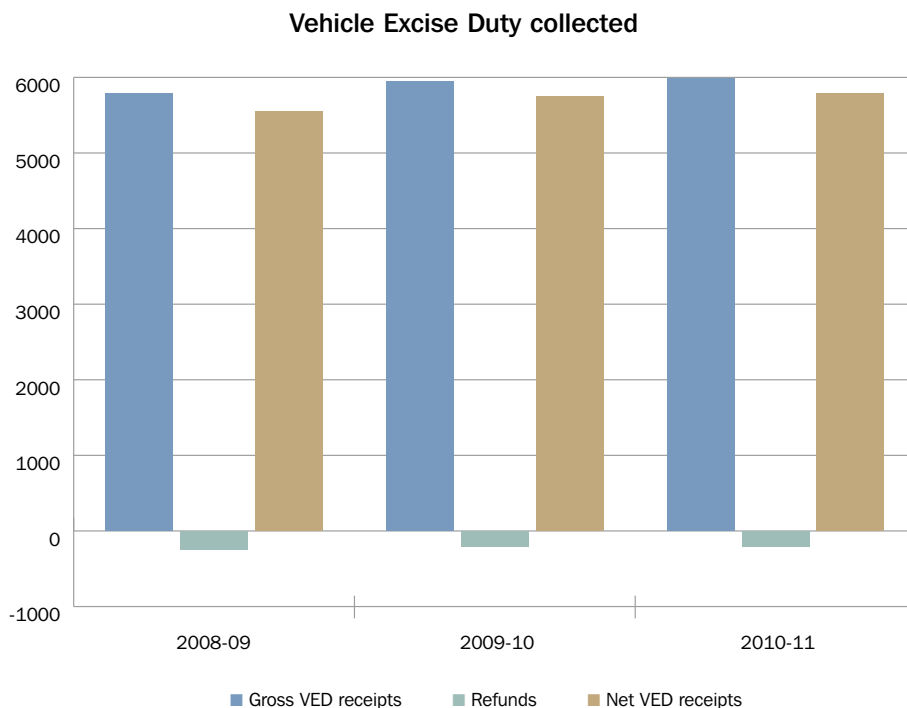
Contractual terms and conditions

The contractual commitment within DVLA terms and conditions stipulates a 30 day payment term except for those elements of electronic equipment that require commissioning where payment depends on successful acceptance testing. The Agency paid its suppliers in an average of 3.4 days of receipt of goods or service during 2010-11 (2009-10: 9.2).

2.3 VED collection and enforcement

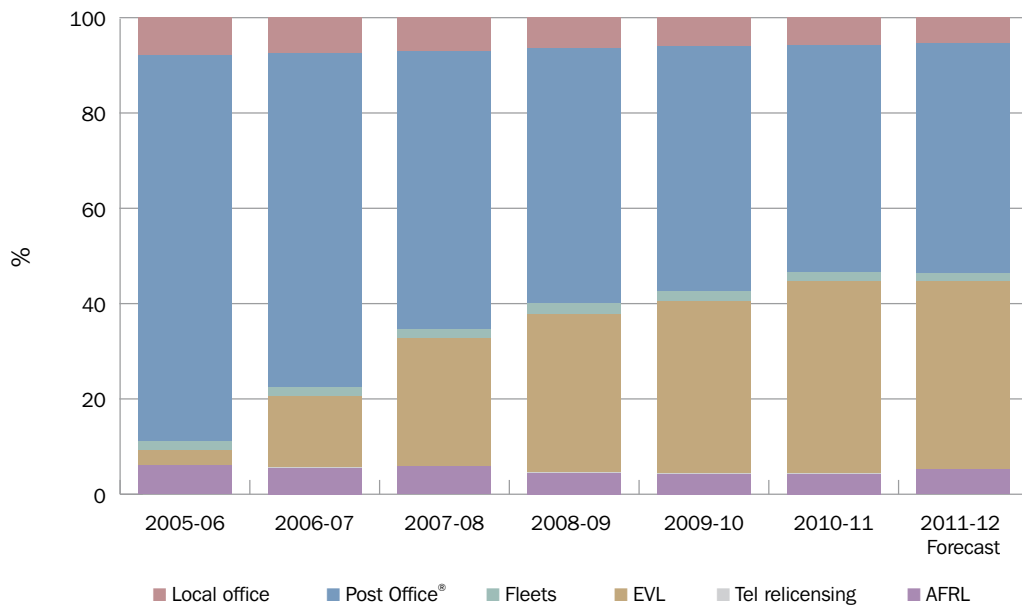
Collection

VED receipts in 2010-11 amounted to £5,782 million.



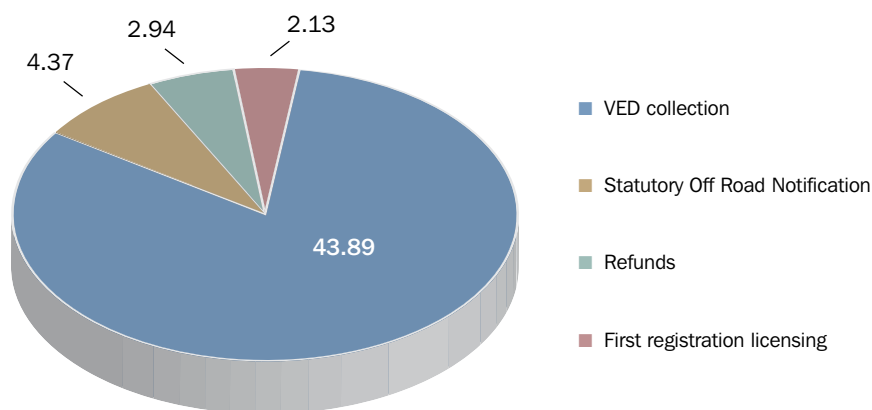
Electronic Vehicle Licensing (EVL) transactions have continued to increase in 2010-11. Take up is based upon the number of EVL transactions compared to the volume of V11 reminders issued. The Automated First Registration and Licensing transaction continues to be undertaken (89 per cent of all new licensing) through the e-channel.

Vehicle Excise Duty by channel



The key transaction categories included in the VED Service Level Agreement accumulate to a total of 53.33 million transactions.

Transaction volumes (£million)



Cost of collection

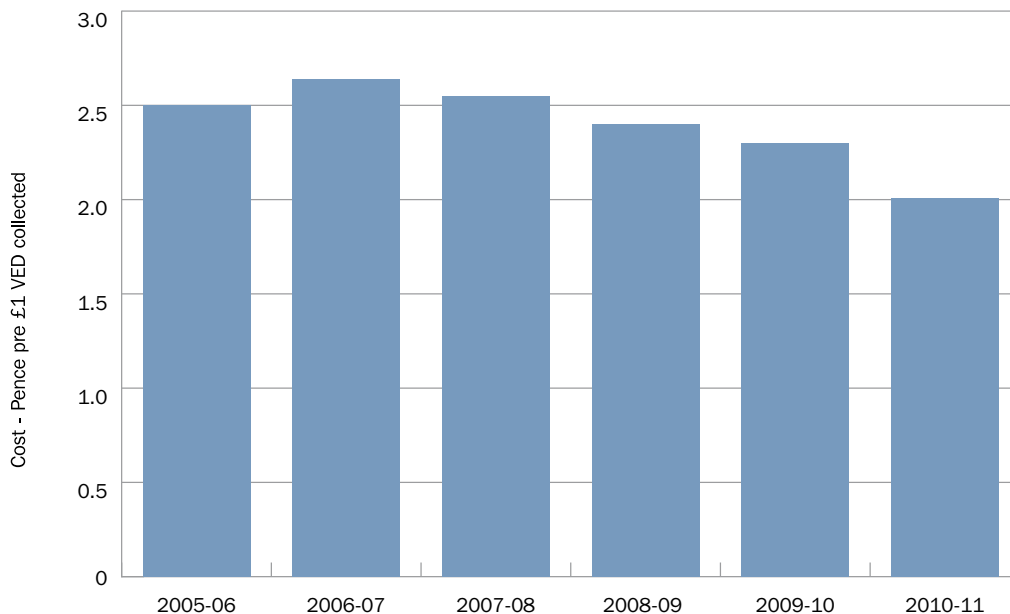
The costs of collection are spread over 53.3 million transactions, up from 52.5 million in 2009-10. The costs are funded directly through an activity based Service Level Agreement with DfT and the amount of funding is agreed by HM Treasury through a tripartite governance arrangement (the VED Governance Committee).

The costs of Vehicle Excise Duty (VED) collection in total were £115.6 million (against a budget of £126.9 million), comprising direct revenue expenditure of £111.1 million and capital expenditure of £4.5 million towards VED system changes. The capital contributions were credited to the Government Grant Reserve in the accounts.

DVLA has continued to deliver significant cost reductions through channel migration for VED collection, especially when the public sector deflator is taken into account. This has been possible through channel shift to electronic services.

In terms of costs of collection (pence per £1VED collected) bearing in mind that Statutory Off Road Notification and refund costs are also included, as are costs of issuing 'nil value' tax discs for exempted categories of vehicle keepers (mainly disabled keepers or cars initially registered before 1973, **see accounts for details**), the profile in cash terms without adjusting for inflation is shown in the Unit Cost of Vehicle Excise Duty Collection table below.

Unit cost of Vehicle Excise Duty collection



Enforcement

National statistics following the 2010 roadside survey estimated that the amount of revenue lost through VED evasion raised slightly from 0.6 per cent in 2009 to 0.9 per cent in 2010-11. It was estimated that £46 million was lost through evasion in 2010-11, compared with £32 million in 2009-10. However, some of this revenue will already have been recovered through DVLA enforcement. Despite the slight increase in evasion estimates, this year's results show the second-highest compliance rate ever achieved and DVLA continues to look at its enforcement strategy to keep evasion low.

Following a successful trial, the Agency received Ministerial approval to issue warning letters to keepers of unlicensed vehicles spotted by its static Automatic Number Plate Reader cameras. The letter gives keepers of unlicensed vehicles a warning that their vehicle had been seen unlicensed on the road and gives them a chance to become compliant.

In April 2010 DVLA introduced a late reminder letter to keepers of vehicles that had been unlicensed for two weeks. The letter is a final push to compliance before enforcement action commences. The reminder letters have resulted in approximately £7 million in extra VED being collected and have also reduced the amount of Continuous Registration (CR) penalties the Agency issue by over a third (or 25,000) per month.

Wheelclamping

Over 113,500 vehicles were clamped and/or removed in 2010-11, 98,000 of these by DVLA's national contractor NSL Services Group. Local authorities and Police forces throughout Great Britain enforced the remainder.

Debt collection

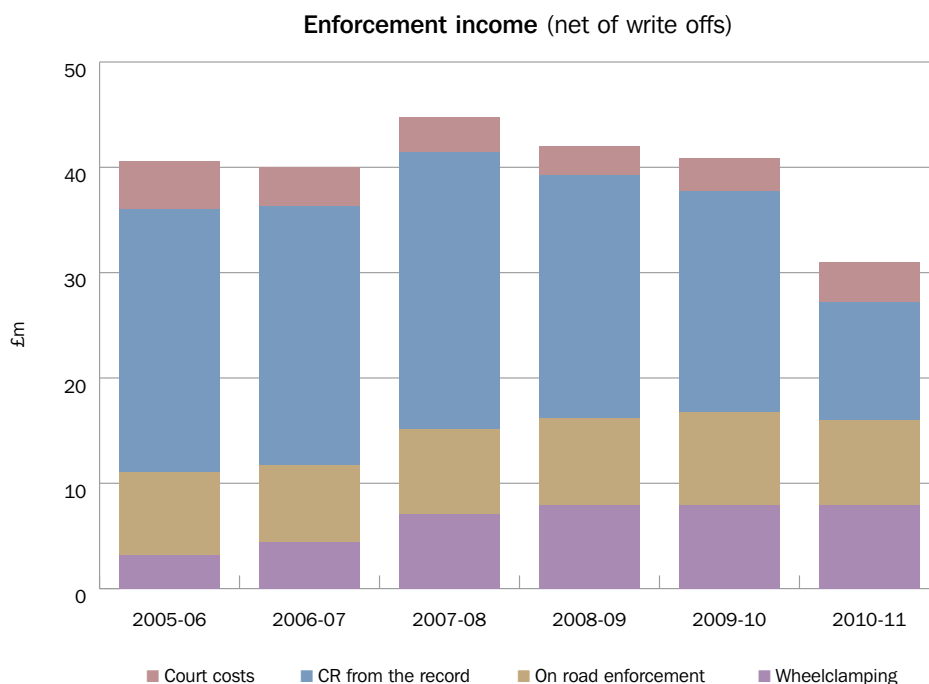
DVLA's debt collection agents have continued to exceed their contractual targets for 2010-11, collecting £8.4 million in unpaid Continuous Registration (CR) penalties.

Over 1.5 million unpaid CR cases have been passed to debt collectors since the contract started in 2008, raising £20.1million.

Continuous Insurance Enforcement (CIE)

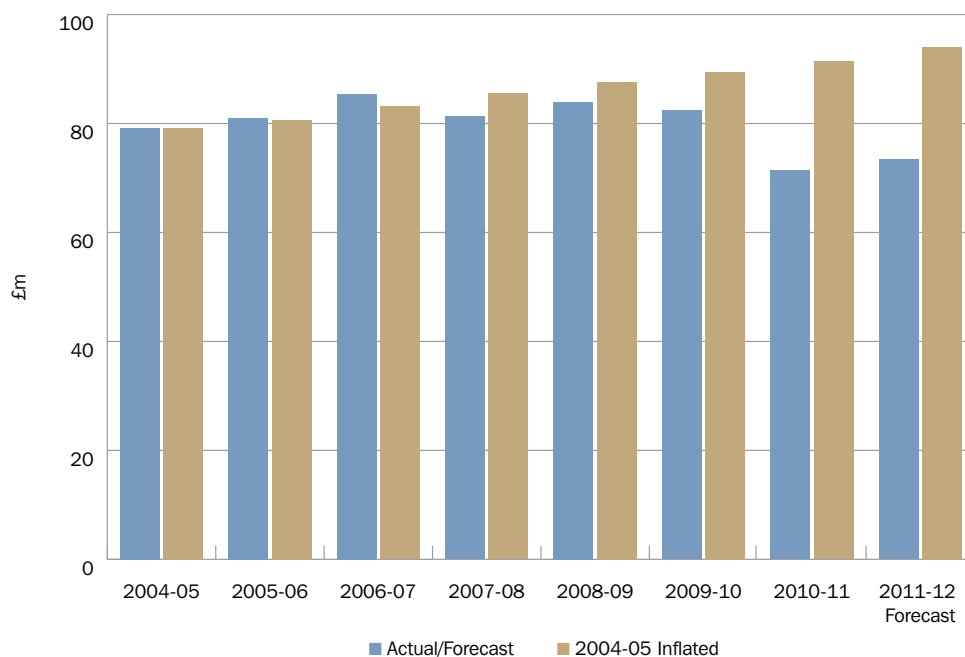
CIE business systems were delivered a month early in February 2011. Because of delays in the legislative processes, the Agency had to delay the first issue of insurance advisory letters from the planned date of March 2011 and it is expected that the first letter will be issued in June 2011. For more information visit

www.direct.gov.uk/en/Motoring/OwningAVehicle/Motorinsurance/DG_186696



The costs of enforcement for 2010-11 were £71.4 million against the budget of £74.7 million. This reduction has included such items as marketing and publicity as noted earlier but with no significant impact on the amount of VED collected. Compared to the deflation adjusted costs in 2004-05 the actual costs each year are analysed in the table below showing a 22 per cent real time reduction over five years.

Costs of Vehicle Excise Duty enforcement actual vs. inflated 2004-05 baseline



The enforcement forecast for 2011-12, includes the retention of court costs awarded and CIE costs, which were not included in previous years as these were counted as project costs.

Policy determination

During 2010-11 the DVLA received Ministerial direction that its enforcement strategy should be revised to re-align the dates of wheelclamping action and late licensing penalties. Work is progressing to delay wheel clamping action against unlicensed vehicles until two months after expiry of the licence, whilst bringing forward late licensing penalties from the two-month period to six weeks.

3. Remuneration Report

Remuneration policy

The remuneration of Senior Civil Servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries. The Review Body also advises the Prime Minister from time to time on the pay and pensions of Members of Parliament and their allowances; on Peers' allowances; and on the pay, pensions and allowances of Ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975.

In reaching its recommendations, the Review Body has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities
- regional/local variations in labour markets and their effects on the recruitment and retention of staff
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services
- the funds available to departments as set out in the Government's departmental expenditure limits
- the Government's inflation target.

The review body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations. Further information about the work of the Review Body can be found at www.ome.uk.com

Service contracts

Civil Service appointments are made in accordance with the Civil Service Commissioner's Recruitment Principles, which requires appointments to be based on fair and open competition but also includes the circumstances when appointments may otherwise be made. Unless otherwise stated below, the officials covered by this report hold appointments, which are open-ended until they reach the normal retiring age of 60. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

The standard period of notice to be given by Directors is three months.

Salary and pension entitlements

The remuneration and pension interests of the Chief Executive and Directors are set out on [pages 40 to 43](#).

The Senior Civil Servant annual pay award is determined by performance, with no award made to unsatisfactory performers. Bonuses are awarded to no more than 75 per cent of staff. They are made to reward in-year performance in relation to agreed objectives, or short-term personal contribution to wider organisational objectives.

Salary

Salary includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on payments made by the Agency and recorded in these accounts.

Performance bonus

Performance is assessed annually for Directors through the appraisal processes managed by DfT and entitlement to performance enhancements or bonuses established in comparison across the DfT family through the Departmental evaluation committee, chaired by the Permanent Secretary. The Directors did not receive any non-cash benefits during the current or prior year.

Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 October 2002, civil servants may be in one of three statutory based 'final salary' defined benefit schemes (classic, premium and classic plus). The schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium and classic plus are increased annually in line with changes in the pension increase legislation. New entrants after

1 October 2002 may choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5 per cent of pensionable earnings for classic and 3.5 per cent for premium and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly in the same way as in classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3 per cent and 12.5 per cent (depending on the age of the member) into a stakeholder pension product chosen by the employee from a selection of approved products. The employee does not have to contribute but where they do contribute, the employer will match these up to a limit of 3 per cent of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8 per cent of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Cash Equivalent Transfer Values (CETV)

CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures

shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements and for which the CS Vote has received a transfer payment commensurate with the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Remuneration of the Executive Board Members – audited

	2010-11		2009-10	
	Salary (£000)	Performance Bonus (£000)	Salary (£000)	Performance Bonus (£000)
Chief Executive				
Noel Shanahan (to May 2010)	10-15 (105-110 full year equivalent)	5-10	105-110	10-15
Simon Tse (from May 2010); (Chief Operating Officer to May 2010)	90-95	5-10	85-90	5-10
Executive Board Members				
David L Evans – Corporate Affairs (from August 2009)	80-85	5-10	50-55 (75-80 full year equivalent)	0-5
Paul Evans – Chief Information Officer	90-95	15-20	95-100	–
Ieuan Griffiths – Finance & Strategy	90-95	5-10	90-95	5-10
Richard Kitchen – Policy & External Communications (to August 2009)	–	–	25-30 (85-90 full year equivalent)	5-10
Judith Whitaker – Chief Operating Officer (from May 2010); HR & Estates (to May 2010)	80-85	0-5	75-80	5-10
Eddie March – HR & Estates (from May 2010)	60-65	0-5	55-60	0-5

Bonuses relate to those paid in 2010-11. The bonus to be paid in 2011-12 is yet to be determined. There were no benefits in kind.

None of the exit package costs disclosed in Note 3 relate to Executive Board members.

Remuneration of the Chief Executive – audited

	2010-11		2009-10	
	Salary (£000)	Performance Bonus (£000)	Salary (£000)	Performance Bonus (£000)
Noel Shanahan (to May 2010)				
Salary	11	10	106	12
Pension Contributions	3	–	39	–
	<u>14</u>	<u>10</u>	<u>145</u>	<u>12</u>
Simon Tse (to May 2010)				
Salary	94	7	–	–
Pension Contributions	34	–	–	–
	<u>128</u>	<u>7</u>	<u>–</u>	<u>–</u>

Remuneration Report

Remuneration of the Non-Executive Board Members – audited

	2010-11	2009-10
	(£000)	(£000)
Michael Brooks	20-25	5-10
Jim Knox	20-25	10-15
John Burdett (to 31 December 2010)	–	20-25
Baljit Dhillon (to 31 December 2010)	–	5-10

Pension Benefits of the Executive Board Members – audited

	Real increase in pension and related lump sum at age 60 during year	Total accrued pension at age 60 and lump sum (LS)	Cash Equivalent Transfer Values (CETV)		Employee contributions and transfers in during year	Real increase in CETV as funded by employer in year
	2010-11	2010-11	2010-11	2009-10	2010-11	2010-11
	£000	£000	£000	£000 (re-stated)	£000	£000
Noel Shanahan	0-2.5	5-10	129	126	0	2
Simon Tse	2.5-5.0	20-25	206	172	3	22
David L Evans	0-2.5 plus 1.0-1.5 lump sum	20-25 plus 65-70 lump sum	328	296	1	4
Paul Evans	0-2.5	2.5-5.0	52	26	3	22
Ieuan Griffiths	0-2.5 plus 1.5-2.0 decrease in lump sum	35-40 plus 55-60 lump sum	756	682	14	4
Judith Whitaker	0-2.5	35-40	311	269	3	16
Eddie March	0-2.5	2.5-5.0	49	34	2	10

The actuarial factors used to calculate CETV were changed in 2010-11. The CETV figures at 31 March 2010 and 31 March 2011 have both been calculated using the new factors, for consistency. The CETV at 31 March 2010 therefore differs from the corresponding figure in last year's report which was calculated using the previous factors.



Simon Tse

Accounting Officer and Chief Executive DVLA
22 June 2011