



DVLA Business Plan  
2011-12



# DVLA Business Plan 2011-12

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## Chief Executive's message

This Business Plan sets out our commitment to replicate and build on our strong performance in 2010-11. It is an ambitious plan which includes more electronic services, more channel shift, significant reductions in running costs and, at the same time, delivery of our core driver, vehicle and enforcement business.

In the last year the Agency handled millions of transactions and enquiries – all within set targets – and collected almost £6billion for the Government in Vehicle Excise Duty.

Over recent years we have been pressing ahead with a reform programme to take us from a predominantly paper-based business to attractive and secure on-line services which are digital by default. The last 12 months have seen higher than ever take-up of the transactions currently available electronically: 50% of vehicle licensing transactions and 30% of driver licensing applications were completed on-line. This represents 90% of electronic payments made to central Government. During 2011-12 we will continue, and indeed accelerate, this channel shift programme in step with priorities and pressures faced by our sponsors in the Department for Transport and wider Government.

Where transactions have to remain off-line, we are resolute in our plans to increase efficiency.

The Agency is already doing more with less and maintaining the same service quality levels. Although, there has been some recovery in the last financial year, income levels have not fully recovered to where they were before a significant drop in 2007. We do not anticipate full recovery in the coming year but the action we took in 2007 introduced a flexibility that has stood us in good stead.

In this Business Plan, the Agency commits to taking the first stride in a four-year plan to reduce operating costs by £100m a year by the end of 2014-15 (compared to our 2010-11 baseline). It is an ambitious plan – especially given that we have already delivered £87m in efficiencies over the last three years – but one I know we will deliver.

Safe in the knowledge that DVLA's committed and skilled staff will rise to the challenges it will present, I look forward with considerable confidence to the year ahead.



**Simon Tse**

Accounting Officer and Acting Chief Executive  
DVLA  
March 2011

## Executive summary



DVLA, an Executive Agency of the Department for Transport (DfT), is based in Swansea with a network of 39 offices around Great Britain. We play a key role, working with the Police and others, to keep road users safe by:

- maintaining over 44m current driver records and 36m current vehicle records, handling around 200m customer interactions each year as a result
- collecting nearly £6bn a year in Vehicle Excise Duty (road tax)
- limiting tax that has not been collected because of non-compliance to no more than 1%
- 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 industry representatives
- contribute to the Government Sustainable Development (SD) agenda by reducing carbon emissions, energy use and waste.

### This plan sets out:

- the direction for Agency change
- what we will do and aim to achieve in 2011-12
- how much we will spend and save
- forecasts for finance, workforce and transaction volumes.

We are adopting, with Ministerial agreement, a more radical efficiency savings approach in line with the fiscal drivers across Government. We are taking steps to make savings by 2015 of £100m a year against the 2010-11 baseline.

Our journey from a paper factory to a secure online and telephone service for high volume transactions has passed the tipping point and the Agency is poised to reap further benefits through further operational consolidation and economies of scale. We have a number of electronic transactions already in place that we will now actively seek to expand as we develop plans over the next year to address major paper transactions for vehicle services.

In 2011-12, we will spend £556.4m, of which £465.0m will be raised through fees. For 2011-12 and onwards, most fees will remain fixed at the same level as 2010-11. However, we have proposed and will consult on re-introducing a fee of £20 for vocational drivers to meet the costs of introducing system changes and additional volumes for their services. We have also proposed reduced fees as an incentive for those customers who have paper licences or wish to renew their driving licences, but have recently renewed their passports.

In step with the Government Transparency Agenda, our new-style electronic Business Plan (available from May 2011) will provide:

- monthly updates of volumes of customer demand, how well the Agency has performed against customer service standards and any enforced changes to milestones in this plan
- quarterly updates of spending against budget, prompt payment of bills, number of staff employed and average working days lost due to sick absence.



# 1. About us

## 1.1 Who we are and what we do

DVLA is an Executive Agency of the Department for Transport (DfT). We became a Trading Fund in April 2004, but will relinquish this status as from 1 April 2011 as it is incompatible with the HM Treasury new reporting requirements. However, our main responsibilities and services remain unchanged. We will continue to play a key role, working with the Police and others, to keep road users safe by:

- maintaining over 44m drivers records and 36m vehicle records
- collecting nearly £6bn a year in Vehicle Excise Duty (road tax)
- limit tax uncollected through non-compliance to no more than 1%
- supporting the police and intelligence authorities in dealing with vehicle related crime.

### We are also:

**Leading the way in Government** – providing electronic service channels to our customers, drawing on public sector best practice to make such transactions easier and more secure.

**Contributing to Sustainable Development** – our contribution to the Government Sustainable Development (SD) agenda has a real impact on the reduction of carbon emissions, reducing 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 vehicle excise duty effectively, and can be used to deliver other government initiatives such as traffic management and reducing carbon emissions.

## 1.2 DVLA Governance

### The building blocks of Agency governance

- DVLA is one of the Executive Agencies sponsored by DfT 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 (i) operation performance towards milestones and (ii) 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 set cascaded 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. These are supported by risk management and an audit programme within the Agency reporting to an Audit Committee of the two Non-Executive Directors, senior representatives from our sponsor Department and the National Audit Office who undertake our external audit. The Chief Executive and Strategy and Finance Director attend this committee as observers.

### The purpose of this Business Plan

The Business Plan details our business objectives, key activities and performance measures for 2011-12 and is agreed with the responsible Minister as part of setting our priorities for the year.

The plan sets out:

- the direction for Agency change
- what we will do and are expected to achieve in 2011-12
- how much we will spend and save
- forecasts for finance, workforce and transaction volumes.

We report against our key measures and work plans set out in this Business Plan in our Annual Report and Accounts published during the summer to make visible to Parliament and the public our performance against our original agreement. We will provide updates online to this Business Plan so the public can judge our progress in the interim.

### Transparency and accountability

Our Annual Report and Accounts content is audited by the National Audit Office and provides a detailed account of our progress and activity for the previous year. Government has set new standards for real time transparency so that public bodies can be held accountable for their performance.

In response to the Government Transparency Agenda, our new-style electronic Business Plan will provide:

- monthly updates of volumes of customer demand
- how well the Agency has performed against customer service standards
- quarterly updates of spending against budget
- prompt payment of bills
- number of staff employed
- average working days lost due to sick absence
- enforced changes to milestones in this plan.

We already report these figures monthly to our Executive Board where progress and performance is discussed. Results on performance are also sent monthly to DfT for scrutiny. In the event of a major revision to the change priorities set out in this Business Plan we will publish an update.

If you require further information, please contact us at [Business.Planning@dvla.gsi.gov.uk](mailto:Business.Planning@dvla.gsi.gov.uk)



## 2. How the Agency is changing

### 2.1 Our Strategic Direction

The Agency clearly needs to develop its services to ensure fitness for the future. At the same time, we need to meet the high operational performance and delivery standards expected in relation to our customers and core functions.

The key factor for DVLA is the formal adoption, with Ministerial agreement of a more radical efficiency saving, in line with the fiscal drivers across Government. This Business Plan represents the first year of a four-year plan to make savings of £100m a year against the 2010-11 baseline plan figures.

DVLA will seek out opportunities to work in partnership with industry representatives giving them greater responsibility for managing the relationship between their industry and DVLA. An example of this is the introduction of the use of Accredited Trade Associations (ATA) for the parking industry. Car parking companies must now become a member of an ATA and comply with a strict code of conduct before they are allowed to request vehicle keeper information from DVLA. Any companies found to be acting in breach of the code of conduct can be expelled from the ATA and denied access to information from the DVLA vehicle register.

Our key strategic business objective is to reduce running costs and drive process efficiency by using the most

cost effective channels and intermediaries, whilst at the same time driving improvements in accuracy. The emphasis for the Agency is to:

- move from paper to electronic transactions, where this is cost effective and to nudge the public in this direction by making the processes more customer friendly
- move face to face contacts with customers into intermediaries, such as the Post Office®, who can then send their data to DVLA electronically
- streamline our processes, removing duplication of effort for customers and stakeholders
- restructure internally to support new ways of working more effectively, while ensuring that operations and environmental impacts of all these changes are delivered in a sustainable way
- reduce costs and increase efficiency significantly as a result.

In 2011-12 we will increase the range of transactions available online. By 31 March 2012 around a quarter of a million extra customers can choose to and will have, successfully renewed their photocard driving licence online. In future years this will rise to half a million customers. This will be aligned with the new Post Office® channel established in 2010 to allow customers to process their renewals with greater convenience and security for lower overall cost and effort.

### 2.2 Reform

#### Working with other government departments

DVLA will seek out cross-Government opportunities for sharing data where there are customer service benefits and in compliance with the Data Protection Act, including the Identity Assurance programme for increasing the security of electronic transactions and Tell Us Once (TUO) for address change. We are working closely with the Department of Work and Pensions (DWP) and HM Revenue and Customs (HMRC) on both these initiatives.

In June 2011, the Agency will implement a new electronic link with DWP to provide identity checking as we set up new records for drivers. This will improve the customer experience by allowing more drivers to apply for their driving licence electronically, allowing their identity to be proven electronically rather than through the physical production of identity documents. This is linked with cross-checking of photographs held by the Identity and Passport Service, a facility which we first introduced in 2006 and is cited by the Information Commissioner as an example of good practice. More young drivers will be able to apply online for their first driving licence once this new checking facility is enabled and DVLA will be able to set up their record on the register more securely, accurately and a lower cost. We expect the percentage of successful online first applications to increase by 30%.

#### Change Portfolio

The Agency has structured the delivery of its Change Portfolio into four programmes, each with an Executive Director with individual and specific responsibility for delivery as Senior Responsible Officer. These programmes will report into the Executive Board and be supported by the Agency Change Office to ensure that all changes to the Agency are planned and co-ordinated so that delivery is efficient and effective.

1. **Efficiency Programme**
2. **Mandatory Programme**
3. **Infrastructure Programme**
4. **ICT Contracts Procurement Programme**

### 1. Efficiency Programme

This programme is focussed on delivering the £100m savings against the 2010-11 baseline agreed with Ministers to be delivered by the end of 2014-15. In agreeing what will be included in this programme, decisions will need to be taken on what functions and initiatives can be delivered. This programme will commence in 2011-12 and will continue to evolve as opportunities for efficiency savings are identified.

This programme will continue our journey from a paper factory to a secure self-service online organisation. It will also deliver further benefits through continued consolidation of locally undertaken transactions and build on the rationalisation of enforcement activities through delivering further productivity and economies of scale. This change will impact all elements of DVLA's activities in Swansea and the Local Services Network. This will take a pan-UK view of Agency responsibilities and activities which will include those delivered in Northern Ireland to ensure equivalence of service is provided across the UK.

The Efficiency programme will work closely with the Mandatory and Infrastructure programmes. The processes and systems addressed by all three programmes involve the same Driver and Vehicle Registers, which will continue to converge in data and equipment. Therefore co-ordination is essential.

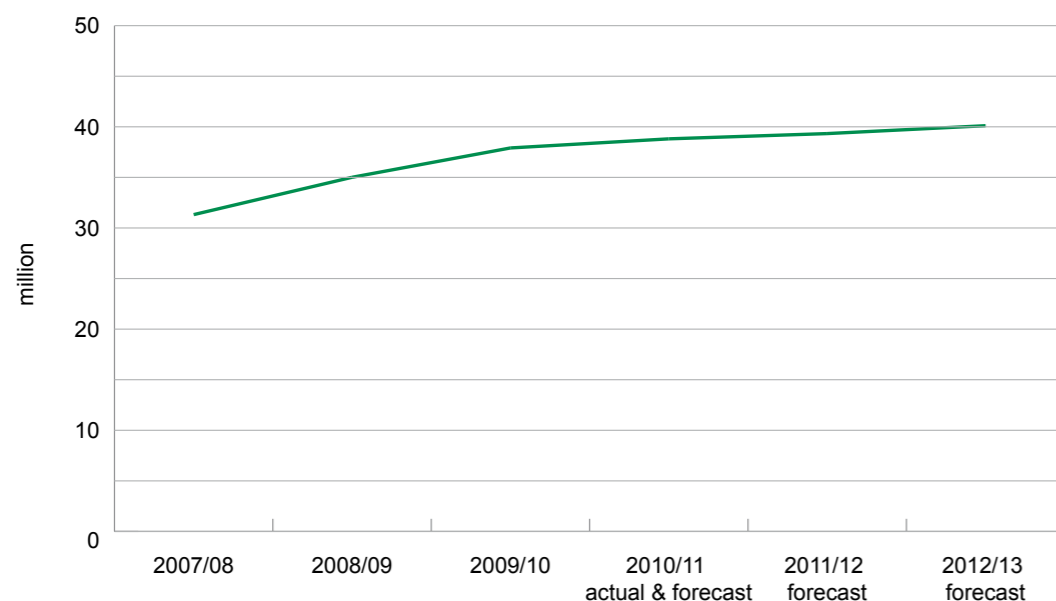
### 2. Mandatory Programme

This programme will ensure DVLA complies with mandatory and legislative changes required of us as an Executive Agency of DfT. When introducing new legislation and policy change, the Agency will involve stakeholders at an early stage to help understand potential impact and provide the opportunity to influence how the required changes are implemented. This will help ensure that the impact of change is minimised and that there is no 'gold plating' of solutions to meet legislative requirements.

Three examples of such changes are:

- the introduction of the European Third Directive for drivers on driver licensing. By consulting with stakeholders affected by the changes early, the

Electronic transactions – driver and vehicle



## How the Agency is changing



impacts on drivers (Driving Standards Agency (DSA) and DVLA cost impacts) have been kept to a minimum and we still meet the European Commission's requirements

- the implementation of Continuous Insurance Enforcement legislation enacted in the UK in 2006. From July 2011, working in partnership with the Motor Insurance Bureau, DVLA will first remind and (if no positive response is forthcoming) issue a fixed penalty notice to the keeper of the uninsured vehicle identified by comparison of the DVLA Vehicle record and the Motor Insurers Database (MID). For more information visit [www.askmid.co.uk](http://www.askmid.co.uk) to check if your vehicle is on the Motor Insurance Database. Offenders who fail to insure will also be liable to prosecution and wheelclamping
- the handling of additional vehicle queries for enforcement on private land when the ability to wheelclamp on private land has been removed.

Following initial discussions with Ministers, DVLA will explore with DfT and others the potential to:

- **Remove the address off the driving licence** – in consultation with the public, law enforcement bodies and industry groups we will seek to amend legislation to allow for the address to be removed off the driving licence. This will remove the need for the old licence to be returned to DVLA when changes are notified, saving costs and helping promote the take up of electronic service channels.
- **Licence drivers with medical conditions** – we will amend our Medical Licensing standards to reflect the changes introduced to European law. This will introduce changes to current licensing standards for epilepsy, diabetes and eyesight. The exact extent of the changes will be decided following public consultation.
- **Abolish the paper counterpart to the driving licence** – implement primary legislation (already in place) that will allow the DVLA register to be recognised as the definitive driving licence record, removing the need for the paper counterpart. Secure electronic enquiry services will be used to access up-to-date information directly from the DVLA record removing the need for the paper counterpart.

- **DVLA Personalised Registrations** – we will review existing Cherished Transfer rules and procedures to introduce process improvements/new service channels to improve customer service.
- **Electronic services** – we will explore opportunities for removing constraints, which impede the take up of electronic services and identify ways of encouraging their use.
- **Change of keeper** – review the process for notifying changes to vehicle keeper details. In consultation with the public, law enforcement bodies and industry groups we will seek out opportunities for improving current arrangements.
- **Partnership** – explore partnership opportunities with trade associations, allowing them to take greater responsibility for the delivery of motoring services to their members.
- **European data sharing** – work with other Government departments to meet the requirements of the various European cross border enforcement treaties by sharing vehicle keeper details to frustrate cross border criminal activity.
- **Insurance industry access to the driving licence register** – work with the Insurance Industry to develop a new enquiry facility of the DVLA record, as announced by the Minister to the Transport Select Committee. This proposed service would allow drivers to give their consent to insurance companies checking their driver record in order to be able to provide an accurate insurance quotation. This will help the insurance industry respond to the serious problem of false declarations and avoid honest customers unwittingly providing incorrect details, which could impact upon the validity of their motor insurance.

### 3. Infrastructure Programme

This programme will continue to deliver the changes necessary to maintain and develop DVLA's IT infrastructure. It will deliver essential projects that will keep DVLA compliant with government policies, adhere to security protocols, maintain the live estate through refreshing technical systems and modernisation to support the delivery of key performance measures.

This programme will work closely with the final programme in the portfolio, renewing our ICT support. DVLA was the first of the major systems to be outsourced in 1994 and in 2002. IBM replaced the incumbent supplier. There is a great deal of work to do over the remaining four years of the current contract to prepare its infrastructure to gain from the next procurement and be ready for the next steps in the cross-Government ICT strategy and initiatives.

### 4. ICT Contracts Procurement Programme

The contract for DVLA's ICT service provision must be replaced by September 2015, when the current contract extension with IBM/Fujitsu runs out. During 2011-12 this programme will:

- contribute and align to a cross-Government approach
- undertake preparatory work to specify the form, scope, nature and structure of provision required for the future, working closely with others across DfT on contracts, data centre consolidation and virtualisation of databases
- plan and scope the subsequent DVLA procurement activities needed
- define the infrastructure developments needed to best support the procurement to migration
- deliver the future internal management arrangements needed to manage contract and service delivery (both up to and post 2015).

#### Processes for delivery of programmes

Whilst we have agreed the core of the above programmes with Ministers, actual delivery will be subject to a number of separate approvals at official level. We will need to address each individual project (**see pages 16 and 17**) that we undertake through:

- approving individual business cases through DVLA and where appropriate, DfT official level Investment Appraisal Board approval (exceptionally, also to HM Treasury officials using the Major Project Authority)
- where ICT costs over £1m, seek Cabinet Office official level approval of scope and value
- the Cabinet Office Efficiency Reform Group officials in respect of major projects and procurements

- the Department for Transport approvals process for recruitment of up to 20, specialist contract management (Agency) staff and legal support shaping and letting our major IT supply contract in the future
- public consultation if there is a case for changing processes or services directly affecting the public
- the Information Commissioner approval where the changes impact on data sharing or reduction in duplications of data gathering through joint working or process sharing.

We will plan these changes carefully and engage with a range of stakeholders. This will ensure that the approvals processes necessary before each element of the change portfolio can be delivered. The milestones in DVLA's Change Portfolio for 2011-12 are detailed in **3.1**. Achieving these milestones within this context will be challenging.



## How the Agency is changing

### 2.3 Our contribution to Sustainable Development

In 2011-12 we will be further embedding sustainable development principles into our decision making processes, policy formulation and programme management. This will be undertaken by detailed impact assessments of our policy and change programme plans. Defining and prioritising our sustainability agenda will ensure we are environmentally, socially and economically responsible in the operation of our business and decision making.

#### Socially driven

As an employer we are committed to looking after the communities in which we live and work and the staff we employ. We are continually seeking to improve the Agency's commitment and capability in order to meet Corporate Social Responsibility standards ([see 4.7](#)). We will be encouraging our staff to participate in voluntary activities and continuing our efforts to promote staff well-being. Before undertaking any office re-locations we will ensure that a social and environmental impact assessment will be carried out.

As an organisation, we will ensure that when we change our products, this will make compliance easier and will ensure social inclusion for our customers.

#### Economically sound

Value for money which includes policy and legislation changes is a key driver in ensuring the fee payer is getting the most out of public services.

DVLA's work with other Government departments has a significant role to play in becoming more sustainable ([see 4.6](#)) through reducing process duplication and the time taken by customers to interact with Government.

#### Environmentally responsible

The Government has set the Agency stretching and significant commitments to improve environmental performance ([see Annex E](#)).

The 4 key areas are:

- to cut carbon
  - from the estate
  - from business related travel
- reduce the amount of waste generated
- reduce water consumption
- sustainable procurement.

#### Carbon from Energy

As DVLA increases its digital business, it significantly reduces the amount of paper it uses. This in turn reduces the carbon used to transport and process the paper whilst easing compliance for the customer. But it also means that we rely increasingly upon energy hungry IT equipment. The Agency recognises this is a growing issue and has put in clear objectives to make more efficient use of energy to consume and establish the use of cleaner sources.

In order to help us be transparent in how we regulate this, the DVLA has signed up to the Carbon Reduction Commitment efficiency scheme. During 2011-12 the Agency will produce carbon reduction plans which will significantly improve on current performance. For more information visit [www.carbontrust.co.uk](http://www.carbontrust.co.uk)

#### In 2011-12 we will:

- reduce carbon emissions by 5% compared to 31 March 2010
- maximise the use of our combined heater and power plants
- rationalise our estate and data centres
- consider investment in viable renewable technologies
- renew our end of life PCs with more energy efficient models
- review all electrical assets to establish whether there are more energy efficient solutions and products.

#### Carbon from travel

DVLA has carried out significant work over the past two years to reduce the amount and modes of travel undertaken.

#### During the year we will:

- reduce by 31 March 2012, 5% of carbon emissions from buildings and business use of vehicles compared to 31 March 2010
- reduced the number of hire cars we use. We will also change our pool cars to low emission hybrid vehicles. This should allow us to hit our measures by a further 5% reduction in emissions from road travel
- focus on improvements to the amount of air and rail travel undertaken.

#### Waste reduction/recycling

The Agency has over 40 different waste streams which we monitor and look at ways to make improvements. In 2011-12 we will introduce a new waste stream, working with the council to collect and compost our food waste.

#### Water efficiency

Benchmarking shows that in comparison to other government departments, the Agency is water efficient, however, we will not achieve the <4.0m<sup>3</sup> per person best practice measure. In order to keep us focussed on continuous improvement we aim to improve our performance to achieve the good practice measure of >6.0m<sup>3</sup> per person. We believe this measure to be sufficiently stretching yet realistic for 2011-12.

Our plans to achieve this measure include:

- changing shower heads to be more water efficient
- changing the mains water humidifiers to a jet steam filter system
- composting food waste instead of macerating food and flushing it away
- the impact aerators have on water taps.



### 3. What we will do in 2011-12

#### 3.1 DVLA Performance Measures 2011-12

	Measure	2010-11 Forecast/Outturn	2011-12 Aim/Expectations
<b>Reform</b>			
<b>1</b>	<b>Continuous Insurance Enforcement</b> Build up and maintain full capacity issuing reminder and penalty letters to vehicle owners	Operational March 2011	First enforcement letters in July 2011
<b>Collection of VED</b>			
<b>2</b>	<b>Collecting tax for the government</b> Collect the maximum amount of VED possible within the funding envelope agreed and in consultation with the VED Governance Board	Over 99% of tax due	Over 99% of tax due
<b>Operational – Service Delivery</b>			
<b>3</b>	<b>Accuracy (traceability)</b> Maintain the accuracy of the Vehicle register so that a registered keeper can be traced from details held on record	in 95% of cases	in 95% of cases
<b>4</b>	<b>Customer satisfaction</b> Deliver the 8 DfT Customer Promises (see page 21)	all 8 achieved	achieve all 8
<b>5</b>	<b>Increase take up of digital services</b> (see Annex C)	49%	53%
<b>6</b>	<b>Sustainability</b> Reduce carbon emissions from Agency operations, buildings and all business related transport	by 5%	by a further 5%

	Measure	2010-11 Forecast/Outturn	2011-12 Aim/Expectations
<b>Operational – Service Delivery (continued)</b>			
<b>7</b>	<b>Freedom of Information</b> Provide a response within 20 working days	93%	93%
<b>8</b>	<b>PQs</b> Provide a response within due date	85%	85%
<b>9</b>	<b>MP correspondence</b> Provide a response within 7 working days	85%	85%
<b>10</b>	<b>Official correspondence</b> Provide a response within 20 working days	80%	80%
<b>11</b>	<b>Prompt Payment</b> Payment of invoices within 5 working days	80%	80%
<b>Financial performance</b>			
<b>12</b>	<b>Agency Finance</b> Make further efficiency savings as part of a wider and continuing Change Programme Deliver financial performance in line with Business Plan	£36 million See Annex A	£20 million See Annex A
<b>13</b>	<b>Headcount</b> Ensure efficient deployment of staff with Business Plan compliment set for 31 March 2012	5,680 Full Time Equivalents	5,480 Full Time Equivalents
<b>14</b>	<b>Sickness Absence</b> Ensure the number of working days lost due to sickness is no more than	7.5 days	7.2 days



DVLA Change Portfolio 2011-12	Milestone dates
<b>1. Efficiency Programme</b>	
<b>Electronic Services and Intermediaries</b> Driver Licence Renewal online Courts update for Driver records online Tachonet Renewal online and at the Post Office® Extension of Post Office® Driver services for Ten Year Renewals Enhancement of online Fleet services Change of keeper and Vehicle details online: feasibility and design	Apr 2011 Not yet scheduled Aug 2011 Mar 2012 Mar 2012 Jul 2013
<b>Process Re-engineering</b> Change processes to allow for centralisation of functions Wheelclamping Internal process review Review and re-appraisal of refunds processes and Direct Debits	Ongoing Apr 2012 Ongoing Dec 2012
<b>Smart Forms</b> Intelligent forms for online usage Direct printing of forms at post offices Scanning improvements to extend automation	Mar 2011 Apr 2011 May 2011
<b>Workforce Productivity</b> HR – Next Generation HR restructuring and cross DfT working Management training to raise effectiveness Centralise and Automate management information (PerformancePoint) Review of workforce capacity and capability	Aug 2011 Apr 2012 Jul 2011 Nov 2011
<b>Income Generation</b> Sale of previously issued registration numbers Driver Licence Check feasibility study for pilot roll-out	Jun 2011 To be agreed
<b>2. Mandatory Programme</b>	
EU Third Drivers Directive – systems changes (excepting RESPER) Continuous Insurance Enforcement Insurance Company enquiries to validate data for quotations Accelerated roll-out of new V5C documents Implementation of Budget changes for 2011 Enquiry facilities for private enforcement of vehicles on private land	Fully live Jan 2013 Full capacity Dec 2011 Fully live Oct 2013 Oct 2011 Apr 2011 Mar 2012

DVLA Change Portfolio 2011-12	Milestone dates
<b>3. Infrastructure Programme</b>	
<b>Northern Ireland Vehicle Information System (NIVIS) migration to Vehicles System Software (VSS)</b> Migration of NI vehicle systems from NIVIS to VSS. Incorporation of bar-coding on all re-licensing transactions for NI and preparation for migration on NI vehicle records	Full migration complete Apr 2013
<b>Replacement of Current Photograph Store</b> Replacement of current 'Natural Image' software with new software to remain with a supported platform into the future	Dec 2011
<b>Payment Card Data Security (PCDS) standards</b> Joint project with DWP to ensure that the Agency's systems are compliant with the Payment Card Industry Data Security Standards (PCI-DSS) as mandated by the industry	Dec 2012
<b>DWP Link</b> Link DVLA with the DWP customer database (CISx) to validate customer identity when establishing new Driver records	Jun 2011
<b>Driver Medical: e-services</b> Feasibility study on options to introduce online services for renewal of short period driver licences for medical reasons	Mar 2012
<b>Weblogic update</b> Move from the current version of the Weblogic software (which underpins all DVLA e-transactions)	Jun 2011
<b>Desktop Update</b> Completion of the move from Windows 2000 and Novell Groupwise to Windows Vista and MS Outlook. Rationalisation of desktop build	Jun 2011
<b>Data Centre Consolidation</b> Migration of remaining services to the new DVLA data centres from Salford scheduled for demolition Migration from obsolete DVLA data facilities into new DVLA data centres in Swansea	Jun 2012 May 2012
<b>Technical ICT Equipment Refresh</b> Large scale refresh to update main vehicles systems equipment to remain within support contracts Hardware and software update for internal casework systems	Ongoing Nov 2011
<b>Security Updates and Improvements</b> Identity and access management – implementation of access management systems to remedy weaknesses identified Technical vulnerability reduction – restructuring of network and application architecture to improve security controls and compartmentalisation of systems Security software updates, new security related installations and work to address specific security issues identified by review	Sep 2013 Feb 2011 Ongoing through year
<b>4. ICT Contracts Procurement Programme</b>	
Engage with DfT family to confirm the policy and subsequent strategy for initial programme structure and governance Set up Core Team (circa 20 staff) Procurement and engagement of specialist support Legal review of contract and exit terms Review and decision on future requisition and contract structure at high level Definition of scope of data centre consolidation and cross-Agency development plans	Apr 2011 Sep 2011 Sep 2011 Dec 2011 Feb 2012 Mar 2012

## What we will do in 2011-12



### 3.2 Collection of Vehicle Excise Duty

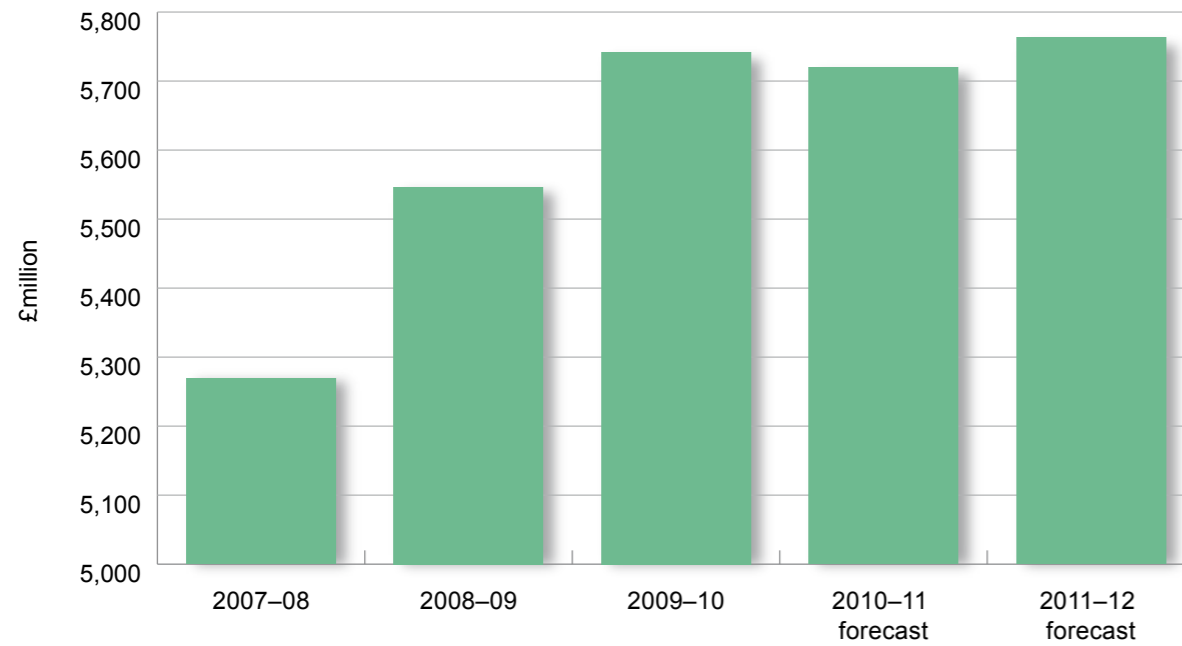
During 2011-12 the Agency will collect nearly £6bn of Vehicle Excise Duty (VED) for the public purse.

Over 99% of our customers comply with VED payment regulations. We identify those who do not comply and have a robust enforcement system to penalise the non-compliant and recover unpaid duty. DVLA recognises that customers need a 'call to action', to remind them to tax their vehicle. As part of the Agency's VED compliance regime, we send customers a reminder to apply to renew their tax disc before it expires. We offer customers a range of service channels (for example, online, post offices and phone) to help them renew their tax disc. To renew your road tax online visit [www.direct.gov.uk/en/Motoring](http://www.direct.gov.uk/en/Motoring)

A second reminder letter is sent out two weeks after the date of liability if the applicant fails to renew their tax disc. Only after the vehicle keeper has had ample opportunity to respond to these reminders will DVLA take enforcement action.

DVLA's approach to achieving compliance focuses on making it easy for the motorist to comply. The Agency only resorts to enforcement measures when the motorist disregards reminders and is clearly not intent on complying.

VED collected in £M



### 3.3 Enforcement

The Agency will continue to use a range of targeted enforcement measures when reminders and initial contacts have failed to deliver a positive response including:

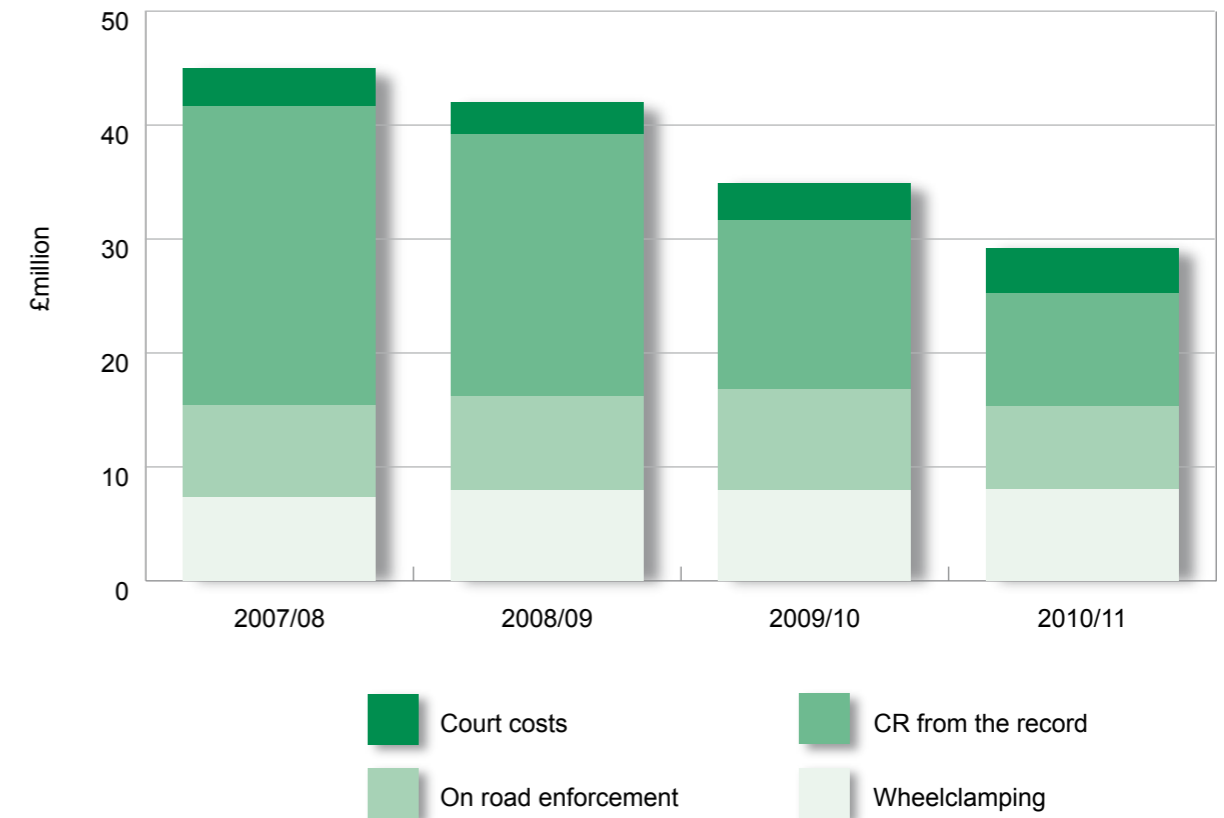
- penalty notices
- prosecution and as a final but physical intervention
- wheelclamping.

Enforcement action will be fair and will in all areas requiring compliance with the law, be preceded by clear and effective messaging to customers which will enable

them to become/remain compliant. We will continue to employ cost effective ways of maximising compliance. Our aim, through enforcement action, is to limit tax evasion through non-compliance to less than £50m.

DVLA will further decrease the impact of non-compliance by enforcement receipts and fine income. Enforcement income has reduced over recent years due to the significant improvement in initial compliance rates. The cost/result ratio of the enforcement action itself continues to improve even though we are moving into the more intransigent evading sector.

Enforcement income in £M





### 3.4 Improving the Accuracy of our Records

DVLA will continue to maintain the accuracy of the Vehicle register so that a registered keeper can be traced in 95% of cases from the details held on our records. In addition, we will continue to improve the accuracy of the Driver register through new work with the insurance sector, the ten year renewal transactions and access to third party databases.

#### Traceability

In 2011-12 the Agency will use existing projects and initiatives to improve traceability, i.e. our ability to trace drivers and vehicle keepers either directly through current addresses or by indirect means. This offers the best value for money as it removes the need for dedicated resource and budget. Data updates associated with the renewal of the ten year photocard driving licence now account for approximately 14% of all changes of address. As part of this process a comparison check is undertaken through a credit reference agency, prompting a renewal letter to the driver where an alternative address is found.

Electronic Vehicle Licensing (EVL) provides an additional prompt to update customers address details to ensure delivery of the tax disc. The introduction of the new Vehicle Registration Certificate (V5C) and the planned accelerated roll-out will also provide an opportunity to prompt vehicle keepers to notify change of address.

#### During 2011-12 we will:

- carry out an independent report of transactional input, providing detailed data that will underpin and improve input accuracy levels
- regularly inspect a percentage of driving licences before they are sent to the customer
- analyse returned mail, which will provide further performance measures
- carry out data quality scanning of both Driver and Vehicle databases to identify any system generated data corruptions. Records will be corrected with physical documents being recalled and re-issued when required
- accelerate the roll out of the new style V5C, which will reduce the risks of vehicle crime relating to the cloning of vehicles using a stolen certificate
- raise awareness that the V5C is not proof of ownership for a vehicle
- provide vehicle keepers with a more user friendly document
- continue with the 'Buyer Beware' campaign in line with the accelerated roll-out of the new secure V5C. For more information visit [www.direct.gov.uk/buyer beware](http://www.direct.gov.uk/buyer beware)

#### Working with trusted partners and industry representatives

A large number of third parties update the Agency's databases, for example, motor dealers, courts and other public sector organisations. In 2011-12 we will:

- develop a third party data accuracy measure to target improvement and assurance activity
- continue to remind and encourage our customers to update their driver and vehicle details by providing links between online services such as Electronic Vehicle Licensing, online Driver Services and where possible using data matching against third party databases (Government and private sector). Where an alternative address for a customer is identified we will send targeted reminders
- work with the motor industry to reduce burden on corporate customers and to simplify our processes by understanding the impact we have on customers' businesses.

### 3.5 Customer Service and Satisfaction

In 2011-12 DVLA expect to issue over **9m driving licences**, register **2.3m new vehicles** and complete **48m vehicle licensing transactions**. Customers making use of the online facility will account for 53% of all available driver and vehicle transactions (see Annex C). We will process over 90% of all electronic payments taken by Government. We will continue to encourage our customers to use our electronic services by making it easier for them to comply.

We will continue to shape, deliver and improve our electronic services to meet customer needs and expectations. This will be achieved by adopting a customer led approach to provide customised products and services by:

- working with customers to gain insight into their needs
- learning from customer complaints and feedback to support definition of service delivery
- shaping services to meet future customer needs
- developing a wide range of ways to target segments of customers for each product so that the channel shift and compliance milestones for each are achieved.

#### Customer Service Measures

##### During 2011-12 we will:

- deliver 97% of ordinary driving licences within 10 working days
- deliver 95% of change of registration documents within 14 working days
- deliver a refund of vehicle excise duty within 30 working days
- answer 95% of calls made by customers
- answer an email within 3 working days
- respond to a customer complaint within 10 working days
- answer 93% of information requests within 20 working days
- maintain our Customer Service Excellence accreditation
- undertake customer satisfaction research with a range of customers.

For a full list of our Customer Service Measures (see Annex D).

#### We will deliver the 8 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 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. For more information visit [www.direct.gov.uk/en/Motoring](http://www.direct.gov.uk/en/Motoring)
- 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.



## 4. How much we will spend and save

### 4.1 Managing our Finances

We will spend £556.4m, of which £465.0m is raised through fees – around one third on DVLA staff costs and over half on purchasing goods and services of third parties (see Annex A).

For 2011-12 and onwards, most fees will remain fixed at the same level as 2010-11. For more information visit [www.direct.gov.uk/en/Motoring](http://www.direct.gov.uk/en/Motoring). We have proposed that a fee of £20 be re-introduced for vocational drivers to meet directly attributable costs of systems changes and additional volumes for their services. We have also proposed reduced fees as an incentive for those customers who have paper licences or wish to renew their driving licences and have recently renewed their passports. It will benefit both DVLA and customers to align these two documents and decrease the effort and costs of processing by allowing a far greater proportion of drivers to interact with DVLA electronically. The change also increases the consistency of data across Government, the security of the drivers data held and the security of identity of the individuals involved.

During the year we will be working to introduce further secure enquiry facilities. The charges for access are not statutory and will need to at least cover the full costs of introduction and provision in order not to place a financial burden on motorists. We will rationalise existing charges and reflect the lower cost to DVLA electronic channels.

Steering a largely demand led and evolving business whilst balancing effectiveness and data security against ease of access and cost, calls for a pragmatic approach to risk management (see 4.2). The Agency will continue to apply and improve best practice across the public service.

From April 2004 to March 2011, DVLA finances were managed as a statutory Trading Fund. From 1 April 2011, the Agency will no longer be a Trading Fund and its accounts will be consolidated directly with those of DfT as its sponsor Department. The reason for this change, made by HM Treasury is purely one of technical accounting and funding consistency as, without public corporation status, there were anomalies under the move to 'clear line of sight' for Government accounting which could not be resolved in another way.

We are not expecting this change to financial regime to add significantly to the reporting responsibility and burden laid on a dedicated finance team. The team has already been streamlined to meet best in class standards as set out for government. We will work closely with DfT to ensure this is so and that the efficiency and effectiveness of DVLA is not adversely impacted by a change for technical accounting reasons.

Agency performance and accounts have been and will continue to be audited by the National Audit Office and presented to Parliament.

### 4.2 Risk Management

Managing a largely demand led and evolving operation involves balancing regulation, effectiveness and data security. This against the ease of customer access to online transactions, record updating and cost calls for a pragmatic approach to risk management.

#### Three key risks to delivery of this Business Plan are:

**1. The scale or timing of the range of reform programmes could create peaks of demand greater than the capability of our programme teams or IT partners. This could lead to slippage of timetables.**

We will mitigate this risk by:

- bedding down the recently introduced Agency Change Office to co-ordinate and prioritise all reform/change activity across the Agency
- continuing tight programme management following Office of Government Commerce and other best practice
- increasing our capability and capacity to manage contractors to make best use of their flexibility to help us recover or compensate for lost ground within existing budget limits
- managing our relationship with IBM/Fujitsu to make best use of their capacity while retaining a tight grip on cost and value for money.

**2. There is a risk that some staff could object to changes being made across the wider public service or specifically within this Agency. This could temporarily reduce our capacity to service demand and that disruption could last long enough that it overwhelms our capacity to recover and achieve performance measures at times during the year.**

We will mitigate this risk by:

- building on existing internal communication, including monthly face to face briefings and discussions to explain the changes and why.

**3. There remains a risk to the fee financed stability of the Agency which is particularly dependent on first vehicle registration transactions – this is demand led and has fallen radically in two periods since the Agency was established in 1991. The decision to revoke Trading Fund status and establish closer links between Agency and sponsor department finances means in-year co-ordination and communication will need to be refined by finance teams on both sides of that relationship.**

We will mitigate this risk by:

- building the working relationship between finance experts in the Agency and their opposite numbers in the sponsor department to ensure continuity as far as possible over the full financial year
- working up proposals to rebalance the range of fees charged so that first vehicle registration income is a less dominant proportion of the total. Leading to consultation and eventual transition to a refined fee model.

The Agency will continue to develop our capability and approach to managing risk in partnership with colleagues across DfT and fellow Executive Agencies.

### 4.3 Efficiency

We will build on the experience and impact assessment already gained from creating centralised processing units within the Local Services Network and from having already rationalised down from 12 Area Enforcement Centres. We will continue to consolidate locally undertaken transactions and build on the rationalisation of enforcement activities to develop further productivity

and economies of scale. During 2011 we will have in place alternative channels (and be investing further) to enhance electronic services for business customers' needs as well or better than the present time-consuming queuing for a face to face over the counter service.

We will explore with DfT the possibility of evaluating the savings available from the cross-Government strategy of data centre consolidation, with DVLA utilising its significant ICT resources to provide centralised services.

In previous years the Agency has spent as much as £14m on marketing to tell or remind people of their legal responsibilities. In 2011-12 we will present the 'value for money' case for spending no more than £100,000 on marketing at marginal extra cost and where others bear most of the cost. We aim to:

- amend all existing DVLA customer communications and literature to include any relevant marketing messages
- carry out no cost partnership marketing opportunities with commercial companies and other Government departments
- issue regular regional press releases to establish topical and relevant regional variations of our products/services
- produce in-house videos for use on Directgov/Business Link and other online media channels
- use social media (using a range of channels, approved by DfT Policy) to provide relevant and timely communication channels to targeted customers
- use product placement to take advantage of requests from production companies for DVLA products for use on TV and radio
- use partnership marketing with other government departments using websites, mailings and media campaigns to target customers with a specific marketing message
- increase the use of Directgov and Business Link products and services
- use relationships with existing DVLA contractors to include marketing messages in their communications to customers
- increase links from relevant commercial organisations to DVLA products and services on Directgov/Business Link.



## How much we will spend and save

The investment we have made in providing electronic service channels for customers to transact with us has established us as a public sector leader. In addition to saving the customer a visit to one of our local offices or a post box, the marginal cost of electronic transactions is lower, further take-up by users contributes to operational efficiency. We are anticipating a modest increase in electronic take up to 53% ([see table in Annex C](#)).

### 4.4 Contract Management

DVLA are unusual in the public sector in that over 60% of our total expenditure is spent on external suppliers ([see Annex A](#)). We will continue to procure and manage our contracts in a robust, professional and efficient way so that we make a growing contribution to efficiency.

We will ramp up the major programme preparing the ground for letting our IT supplier contract from 2015. We will be working with colleagues in our sponsor department and more widely to ensure that every potential option and benefit is gathered and assessed.

We will re-let the contract for wheelclamping of unlicensed vehicles. We will ensure that the financial model employed is best value for money and minimises the demand for funding from HM Treasury/DfT and expand the scope of the contract to include action against uninsured vehicles.

#### We will also:

- use more intelligent customer capability to reap financial and service gains from existing and re-negotiated contracts
- measure and report on savings made by key suppliers – including IBM/Fujitsu under existing service supply contracts. We will begin preparations for re-tendering of our high value IT development and support work by 2015
- negotiate best value as lead negotiator on behalf of the DfT for supply contracts in the areas of printing, postage and recruitment and across Government for cards/smartcards and credit card (merchant acquirer) transactions
- build on our successful working relationship with commercial customers and extend the range and scale of transactions completed digitally over secure networks.

### 4.5 Rationalising our Estates

DVLA has developed a cost effective and efficient estates usage in its Swansea locations and has geographically dispersed estate and service delivery locations across the UK.

#### During the year we will:

- work in partnership with others in the public sector to plan and share our occupation of the estate we own and liaise to maximise shared value
- continue to look at ways to use existing space at lower cost to Government
- review the use of official vehicles and business travel arrangements to reduce cost
- pool business use of vehicles owned by the Agency so that the limited number of essential trips made have minimal impact on the environment and paying extra for short term hire of a vehicle becomes an infrequent exception.

### 4.6 Working with Others

The Agency can now use its new technology to work more closely with a number of other approved organisations. Our technology provides the facility to deliver integrated systems and processes across organisational boundaries, reducing duplication and shared cost base specifically with:

- **Department of Work and Pensions (DWP)** including Tell us Once (TUO) and the Veterans Agency to improve validation of personal details changes and streamline notifications. TUO is tasked with delivery of an address notification pilot within 2011.
- **Identity and Passport Service (IPS) and UK Border Agency (UKBA)** to take advantage of their identity checking and validation, in line with the principles of Safeguarding Identity and increase the use of shared assets. For more information visit [www.direct.gov.uk/en/CrimeJusticeAndTheLaw/Typesofcrime/DG\\_174616](http://www.direct.gov.uk/en/CrimeJusticeAndTheLaw/Typesofcrime/DG_174616)

- **Government Gateway** to make public access to our transactions easier but more secure, through use of a common and simplified access and identity authentication route for Government. This potentially paves the way for an enhanced 'Citizen Account' providing greater control over personal data and update to individuals.
- **The Post Office®** – we currently have a number of live discussions in respect of:
  - joint pilot with DWP to make use of scanning technology to capture source documents instead of posting original documents for changes of driver details
  - intermediated or assisted IT services – in respect of vehicle and driver changes to provide assisted applications
  - direct printing of forms to avoid current printing and distribution costs
  - extension of VED facilities into Northern Ireland to match Great Britain functions.
- **Other central Government organisations** – to maximise the use of DVLA data assets (compliant with the Data Protection Act and in consultation with the Information Commissioner) and minimise duplicated investment across the public sector and make public investment stretch further.

### Road Safety

- **Tachograph cards** – In 2011-12 we will issue up to 310,000 digital tachograph cards to vocational drivers on behalf of Vehicle and Operator Service Agency (VOSA).
- **Driver Conduct** – We will continue to support Traffic Commissioners in their duty to check the conduct and suitability of Passenger Carrying Vehicles (PCV) licence applicants and holders.
- **Certificate of Professional Competence (CPC)** – In 2011-12 we expect to issue over 22,000 CPC cards [www.businesslink.gov.uk](http://www.businesslink.gov.uk) on behalf of DSA.

### 4.7 Workforce Management

As the Agency works towards the Central Government benchmark levels for Finance, Procurement, Human Resources and Estates we will release resource for frontline activity. Where staff leave the Agency, our first response will be to redeploy and reprioritise so we would not expect to recruit unless we require particular skills that we cannot find within the Civil Service. For more information see <http://data.gov.uk/dataset/oep-benchmarking-data-2009-10>.

Agency full time equivalent staff numbers	Business Plan
Forecast as at 31 March 2011	5,680
To handle increased Continuous Insurance Enforcement activity	+ 25
V5C accelerated roll-out	+ 20
Build competent core team for IT contract let	+ 20
Savings through efficiency gains and consolidation	- 265
<b>Plan as at 31 March 2012</b>	<b>5,480</b>

We will work alongside partners across the DfT family so that where others have a ready-made approach to a management issue we will adopt and adapt to fit rather than starting for ourselves from first principles. This will free the agency's skilled resource to focus on local priorities such as extending the capability and flexibility of staff to meet changing customer demand.

In 2011-12 we will work with DfT colleagues to develop a standardised set of DfT HR policies which set the foundation for Next Generation HR policy expert services.

We will handle the administration of VOSA HR casework. Cross-Agency working enables HR headcount savings in VOSA whilst maintaining effective service delivery.



## How much we will spend and save

### We will also:

- provide systematic attraction, identification, development, engagement retention and deployment of those individuals with high potential who are of particular value to the organisation
- show visible commitment to behave ethically and contribute to economic development whilst improving the quality of life of the workforce as well as the local community
- improve our commitment and capability to meet corporate social responsibility standards. The Agency is committed to maintaining a supportive relationship with the local and wider community. We will continue to look at ways in which we can offer development opportunities, promote volunteering, school initiatives and work experience to benefit staff and the local community

- continue to use business partners and identify DVLA resourcing requirements for action by the DfT Resourcing Group (DRG) by developing a forward plan
- improve productivity of the current workforce and produce a highly efficient and flexible workforce
- ensure that resource needs and redeployments where necessary are identified early to enable DRG to fulfil requirements in a timely, efficient and cost effective manner
- re-align and simplify the Agency performance management system
- deliver a more cost effective alignment between improved workforce productivity gains and reward.

### Sick Absence

Some staff sick absence is unavoidable. By taking care and offering staff assistance, the Agency has succeeded in bringing the average working days lost down from 13.2 to 7.5. By maintaining/ increasing the attention given we aim to bring this down to 7.2 in 2011-12.

### During the year we will:

- continue to robustly manage DVLA sick absences through developing Agency practices and promoting well-being initiatives
- monitor and improve Agency engagement levels through surveys.

### Training and Development

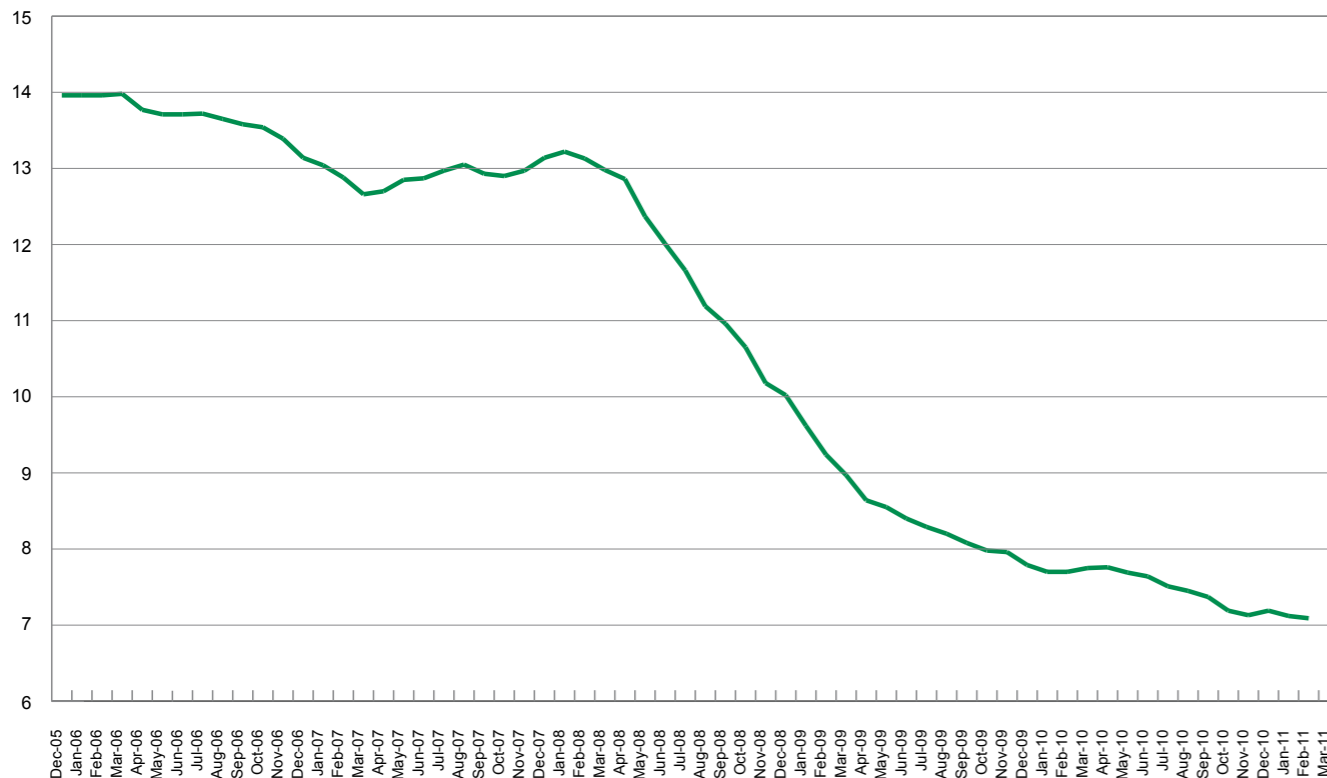
By March 2012 there will be 5,480 full time equivalents working for the Agency. The Agency's staff training and development programme will cost less than £1 million to raise and refresh the capability of staff with a focus on Professional Skills in Government.

During 2011-12 the Agency will work with the Transport Learning Group to facilitate the move to a Learning and Development Centre of Excellence in DfT.

### We will also:

- support a reduction in learning and development staffing across DfT
- reduce our learning and development spend whilst maintaining its effectiveness
- adopt a common core training programme across DfT
- maximise the use of learning and development venues
- develop and utilise an Agency talent pool (including graduate and internal talent programmes)
- identify and nurture talented individuals in business to contribute to the challenges the Agency faces in the future
- develop more efficient training solutions to ensure corporate-wide adherence to legal requirements such as diversity.

**Sick absences rolling total**  
Average working days lost per employee



## 5. Annexes



### A. Financial Summary – Projections

#### Income & Expenditure

	Forecast Outturn 2010-11 £ million	Business Plan 2011-12 £ million
Statutory fee income	369.5	378.7
Commercial fee income	77.7	78.0
SLAs with DfT and other Agencies	186.4	194.5
Other income	7.3	8.3
<b>Total income</b>	<b>640.9</b>	<b>659.5</b>
Staff costs	165.1	159.8
Agents' fees	74.8	74.8
IT charges	140.8	167.5
Accommodation	32.9	36.0
Consultancy and professional services	2.4	3.3
Postage and printing	40.2	47.1
Depreciation	27.7	27.6
Other costs	44.5	40.5
<b>Total expenditure</b>	<b>528.6</b>	<b>556.4</b>
Operating Surplus	112.4	103.1
Surplus payable to Consolidated Fund	100.5	95.0
<b>Net Surplus</b>	<b>11.9</b>	<b>8.1</b>

	Forecast Outturn 2010-11 £ million	Business Plan 2011-12 £ million
Resource DEL	199.2	194.3
AME	(3.5)	(1.8)
<b>Total Resource and AME</b>	<b>195.7</b>	<b>192.5</b>
Capital	25.0	25.6

### A. Continued

#### Balance sheet

	Forecast Outturn 2010-11 £ million	Business Plan 2011-12 £ million
<b>Non-current assets</b>		
Property, plant and equipment	92.0	92.6
Intangible assets	87.4	84.9
Trade and other receivables due after more than one year	4.4	1.2
	183.8	178.6
<b>Current assets</b>		
Trade and other receivables	67.3	69.3
Cash and cash equivalents	73.9	57.0
	141.2	126.3
<b>Total Assets</b>	<b>325.0</b>	<b>304.9</b>
Current Liabilities	(76.6)	(56.8)
Non-current assets plus/less net current assets/liabilities	248.4	248.1
Non-current liabilities	(46.9)	(38.6)
<b>Assets less liabilities</b>	<b>201.5</b>	<b>209.5</b>
<b>Financed by: Taxpayers' equity</b>		
General Fund	122.0	130.0
Public Dividend Capital	19.0	–
Loan from Secretary of State	–	19.0
Government Grant Reserve	27.2	27.1
Revaluation Reserve	33.3	33.3
	201.5	209.5



## A. Continued

### Cash flow

Cash Flow Statement	Forecast Outturn 2010-11 £ million	Business Plan 2011-12 £ million
<b>Cash flows from operating activities</b>		
Retained surplus for the year	11.9	8.1
<b>Adjustments for:</b>		
Loss on disposal, depreciation, amortisation & impairment	28.2	27.6
Government Grant release	(4.8)	(6.1)
Net finance cost	1.7	1.8
Decrease in trade and other receivables	3.9	1.3
(Decrease) in trade payables	(3.3)	(24.7)
Use of provisions	(2.9)	(1.8)
<b>Net cash inflow from operating activities</b>	<b>34.7</b>	<b>6.2</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(25.0)	(25.6)
Purchase of intangible assets	-	-
Interest received	0.2	-
<b>Net cash outflow from investing activities</b>	<b>(24.8)</b>	<b>(25.6)</b>
<b>Cash flows from financing activities</b>		
Government grant received in year	6.8	6.0
Interest payable on finance	(2.0)	(1.8)
Capital element of payments in respect of finance leases and on-balance sheet PFI contracts	(1.6)	(1.7)
<b>Net cash used in financing activities</b>	<b>3.3</b>	<b>2.5</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>	<b>13.2</b>	<b>(16.9)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>60.7</b>	<b>73.9</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>73.9</b>	<b>57.0</b>

## B. Programme and Project Investment Plan

Category	2011-12 £ million
<b>Efficiency Programme</b>	
Electronic Services and Intermediaries	16.1
Process Re-engineering	6.4
Smart Forms	4.5
Workforce Productivity	3.0
Income Generation	0.0
	<b>30.0</b>
<b>Mandated Service Changes Programme</b>	
EU Third Drivers Directive	7.7
Continuous Insurance Enforcement	2.9
Insurance Company enquiries to validate data for quotations	2.6
Accelerated roll-out of new V5C documents	0.8
Implementation of Budget changes for 2011	0.3
Enquiry facilities for private enforcement of vehicles	4.6
	<b>18.9</b>
<b>Infrastructure Programme</b>	
NIVIS migration to VSS	7.3
Replacement of Current Photograph Store	5.0
Payment Card Data Security (PCDS) standards	7.8
DWP Link	1.1
Driver Medical: e-services	0.2
Weblogic Update	1.9
Desktop Update	0.1
Data Centre Consolidation	4.7
Technical ICT Equipment	17.2
Security Updates and Improvements	14.1
	<b>59.4</b>
<b>ICT Contract Procurement Programme</b>	
Set up initial Programme structure and governance	
Joint review of contract future with Cabinet Office	
Procurement and engagement of specialist support	
Legal review of contract and exit terms	
Review and decision on future requisition and contract structure at high level	
Definition of scope of data centre consolidation and cross-Agency development plans	
	<b>£1.6m Included within Ops budget</b>
Less Capital	(18.0)
<b>Total Programme Expenditure for 2011-12</b>	<b>90.3</b>

The main centralisation costs have been included under operational expenditure



### C. Volume Forecasts

Transaction Volumes (in '000s)	2010-11 Forecast Outturn	2011-12 Business Plan Forecast
First registration of vehicles	2,330	2,300
Vehicle licensing	42,935	43,775
Changes to a registration document	17,305	17,900
Duplicate registration document	1,235	1,265
Duplicate vehicle licence	345	350
Vehicle fee paying enquiries	2,230	2,230
Cherished Transfer/Assigned Marks	520	495
First application for driving licence	1,080	1,090
Renewal of driving licence	1,540	1,550
Exchange of driving licence	925	935
Duplicate driving licence	1,130	1,135
Replacement driving licence	3,080	3,100
Vocational driving licence	240	240
Medical renewal of driving licence	325	340
Vehicle police enquiries	680	720
Vehicle customer enquiries	4,860	4,685
Other vehicle transactions	16,105	16,055
Driver customer enquiries	4,790	4,615
Other driver transactions	4,525	4,525
<b>Total</b>	<b>106,180</b>	<b>107,305</b>
Electronic Transaction %	2010-11 Forecast Outturn	2011-12 Business Plan Forecast
Buy vehicle tax or declare SORN	49	52
First registration	87	87
Notification of seriously damaged vehicle	99	99
Notification of destruction	50	55
Certificate of destruction	95	95
Apply for a driving licence	25	31
Request duplicate driving licence	39	46
Change of address on driving licence	17	20
Exchange driving licence to new style	62	62
Renew over 70 driving licence	23	38
Sale of personalised registrations	75	100
<b>Weighted average</b>	<b>49%</b>	<b>53%</b>

### D. Customer Service Measures

	Measure 2010-11	Measure 2011-12
<b>Driving Licences</b>		
To deliver a 1st driving licence within 8 working days	98%	98%
To deliver a vocational licence within 8 working days	98%	98%
To deliver an ordinary driving licence within 10 working days	97%	97%
To deliver a digital tachograph renewal in 8 working days	98%	98%
<b>Medical Investigations</b>		
To conclude a simple case within 15 working days	88%	88%
To conclude a complex case (one that requires further medical investigation) within 90 working days	85%	85%
<b>Vehicle Registration Document</b>		
To deliver a first registration document, excluding cherished transfers, within 14 working days	95%	95%
To deliver a change on a registration certificate within 14 working days	95%	95%
To deliver a registration document from an application (notifying changes to the registration certificate) within 30 working days	95%	95%
<b>Vehicle Excise Duty Refunds</b>		
To deliver a refund due within 30 working days	95%	95%
<b>Customer Service</b>		
To answer call demand	95%	95%
To deliver quality of service in the Contact Centre	85%	85%
To answer an email within 3 working days	95%	95%
Keep average local office queuing time to no more than 15 minutes	15:00	15:00
To deliver a Cherished Transfer within 7 working days	95%	95%
<b>Customer Complaints</b>		
To acknowledge a complaint within 1 working day	100%	100%
To maintain or improve on last year's performance sending a substantive response within 10 working days	98%	98%
<b>MP Correspondence</b>		
To acknowledge correspondence within 1 working day	98%	98%
To maintain or improve on last year's performance sending a substantive response within 7 working days	98%	98%
<b>Overall</b>	<b>17 of 19</b>	<b>17 of 19</b>



## E. Sustainable Development Action Plan

Carbon Emissions	Internal reporting	2011-12
Cut carbon emissions by 25% from a 2009-10 baseline from the whole estate and business related transport by 2014-15	Cut carbon emissions from the whole estate	Reduce by 5% from 2009-10 baseline
	Cut carbon emissions from business related travel	Reduce by 5% from 2009-10 baseline
Waste	Internal reporting	2011-12
Reduce the amount of waste we generate by 25% from a 2009-10 baseline by 2014-15	Cut paper use	Reduce by 10% from 2009-10
	Ensure that redundant ICT equipment is reused (within government, the public sector or wider society) or responsibly recycled	100%
Water	Internal reporting	2011-12
Reduce water consumption from a 2009-10 baseline by 2014-15 and report on office water use against best practice benchmarks	This measure is still being discussed by Government and we are not yet in a position to publish a target	This measure is still being discussed by Government and we are not yet in a position to publish a target

## F. Glossary

ATA	Accredited Trade Associations	IPS	Identity and Passport Service
CPC	Certificate of Professional Competence	LSN	Local Services Network
DfT	Department for Transport	MID	Motor Insurers Database
DRG	DfT Resourcing Group	NI	Northern Ireland
DSA	Driving Standards Agency	NIVIS	Northern Ireland Vehicle Information System
DVLA	Driver and Vehicle Licensing Agency	RESPER	RESeau PERmis de conduire – The European Commission's proposed electronic system for exchanging driver data between member states
DWP	Department for Work and Pensions	SD	Sustainable Development
EB	Executive Board	SORN	Statutory Off Road Notification
EVL	Electronic Vehicle Licensing	TUO	Tell us Once
GB	Great Britain	UK	United Kingdom
HMRC	HM Revenue and Customs	UKBA	United Kingdom Border Agency
HMT	HM Treasury	V5C	Vehicle Registration Certificate
HR	Human Resources	VED	Vehicle Excise Duty
IBM	International Business Machines	VOSA	Vehicle and Operator Services Agency
ICT	Information Communication Technology	VSS	Vehicles System Software

All our services may be accessed through

## Directgov

Public services all in one place  
[www.direct.gov.uk](http://www.direct.gov.uk)

### Alternatively...

#### Driver enquiries

**Email:** [www.direct.gov.uk/emaildvla](http://www.direct.gov.uk/emaildvla)  
**Phone:** 0300 790 6801 (national rate)  
**Fax:** 0300 123 0784  
**Address:** Drivers Customer Services (DCS)  
Correspondence Team  
DVLA Swansea SA6 7JL  
**Textphone:** for the deaf and hard of hearing  
0300 123 1278

#### Vehicle enquiries

**Email:** [www.direct.gov.uk/emaildvla](http://www.direct.gov.uk/emaildvla)  
**Phone:** 0300 790 6802 (national rate)  
**Fax:** 0300 123 0798  
**Address:** Vehicle Customer Services (VCS)  
DVLA Swansea SA99 1AR  
**Textphone:** for the deaf and hard of hearing  
0300 123 1279

#### Premium Rate Services:

(Calls charged at 49 pence per minute)

**Date Vehicle First Registered:** 0906 185 8585  
**Vehicle Tax Due Date:** 0906 765 7585  
**Driver Check Service:** 0906 139 3837  
(for hire car companies with driver's consent)

#### DVLA Personalised Registrations

To check on the availability of DVLA Personalised Registrations please visit our website  
[www.dvlaregistrations.co.uk](http://www.dvlaregistrations.co.uk)

**Textphone:** for the deaf and hard of hearing  
0300 123 1279

**Press enquiries:** 0300 123 0791  
[press.office@dvla.gsi.gov.uk](mailto:press.office@dvla.gsi.gov.uk)

**To call the Agency from abroad:** + 44 1792 786369

