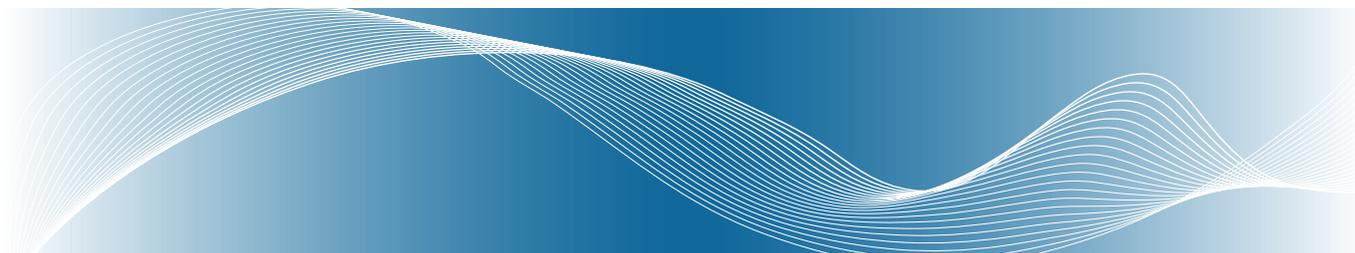




The Case for Change



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Proposal

The 'Transforming DVLA Services' consultation document set out the high level strategic direction for DVLA's proposed future way of doing business with its customers and flagged the implications of this for DVLA's current business model and delivery structure. It made clear the ongoing movement towards electronic transactions and acknowledged that this involved reviewing the current service delivery model including face-to-face operations. It asked how customers would like services delivered and sought their views on potential options such as the wider use of intermediaries.

This document outlines the DfT/DVLA response to the issues raised during the consultation process.

Context

The Agency has committed to:

- support the Government's Digital by Default agenda;
- reduce administrative burden on stakeholders and reduce Red Tape (Red Tape Challenge commitments); and
- reduce its annual operating costs by £100m per annum by 2015, compared to 2010 baseline.

The transformation proposals focus on migrating transactions and services that are currently only available through a Local Office face-to-face channel to electronic channels - either directly or through intermediaries and on centralising the remaining transactions to maximise efficiencies. This approach will improve the way in which we deliver our services to meet the changing needs and expectations of both public and commercial customers as well as providing more cost effective and efficient delivery of services.

The primary objectives of these proposals are to:

- enhance customer service by better aligning customers' needs with existing or new service delivery channels – saving money for customers and DVLA;
- increase the use of existing and planned electronic services, and move away from more costly paper channels;
- substantially reduce the operational cost of the services;
- give commercial customers greater responsibility and ownership over the way that they transact with DVLA; and
- give NI customers access to the full range of vehicle services enjoyed by customers in GB.

Consultation/Methodology

The consultation ran from 13 December 2011 to 20 March 2012. Over 1,000 written responses were received. The results and analysis were published on the same day as this document. The results of the consultation were also reviewed and verified by a group of customer facing staff led by one of the DVLA's non-executive Board members. The report of that group has also been published.

Alongside the formal Public Consultation, DVLA met with key industry stakeholders and some of the main customers from the Local Offices. Discussions took place around the key issues arising from the consultation proposals and how the service offerings could be tailored to meet better the needs of these organisations. Formal responses to the consultation were submitted by representative organisations on behalf of their members. For example, a response from the Automobile Association, used information from a survey of 20,000 motorists. Formal responses to the consultation are discussed in more detail in the consultation analysis.

Regular meetings also took place with the Public and Commercial Services (PCS) union to discuss the proposals. The PCS produced a detailed response objecting to the closure and centralisation plans. They maintain that the Local Offices and Enforcement Centres should be retained and argued strongly for increased investment into the offices. PCS also undertook a survey of dealers which received 1,231 responses. The nature of the responses to that survey largely mirrored the responses obtained through the Public Consultation process. It reported similar concerns about the potential impact on business if the proposals went ahead and the value placed on Local Office staff knowledge. The PCS survey is useful in that it reinforces the steps already identified about the need to work with businesses to ensure their requirements are met effectively.

A petition (40,000 signatures) objecting to the proposals to close Local Offices was also presented to Parliament on 20 March 2012.

Messages from the Consultation

The responses to the consultation document were largely around concerns over the potential for degradation of services. The issues raised helped the Agency to develop and refine its propositions further in a way that can meet customer needs.

Specific concerns raised during the consultation are shown below. These are addressed here at a high level and are covered in more detail in other documents such as the Outline Business Case, the Impact Assessment and the Equality Analysis.

The Agency's proposals would see transactions and services gradually migrated from the existing 39 DVLA Local Offices to a mix of alternative channels such as online, centralised postal and intermediary face-to-face through DVLA's new Front Office Customer Service (FOCS) contract.

Some 79% of respondents did not agree with the proposals outlined in the consultation. This was largely due to concerns over potential degradation of services and uncertainty as to exactly what the new services would provide. The consultation was a high level document with no detail provided to the proposals. Using the responses received we have now been able to develop the detail of the proposals

to ensure we meet the wide ranging concerns expressed. The key element of the change moving forward is to ensure that we have alternative channels in place before closing offices. We are now able to indicate that our FOCS provision will have 4000+ locations undertaking a much wider range of transactions than the current offering.

Timescale

The consultation has shown us that we must make it clear to the motor industry and individual customers that the Agency is committed to maintaining existing service channels until viable alternatives have been provided to customers and stakeholders before effecting local office closures. This is our intention.

Detailed migration and implementation plans will be produced following a decision to continue with the proposal as a whole showing how each service and transaction will be catered for.

Services

Loss of face-to-face Local Office services

Consultation responses showed us that many people feared losing a face-to-face service. The new FOCS contract that will follow on from the existing Post Office contract will provide for between 4,000 and 6,000 outlets, whoever wins the contract. These will offer significantly wider and more localised coverage than the existing 39 DVLA Local Offices provide.

Outlets under the new FOCS contract will be located by the provider to offer good geographical coverage and meet strict service level standards. This will make the provision of a face-to-face service for key transactions more convenient.

Many of the individual transaction proposals are natural steps in digital transformation of the Agency's service delivery but importantly, when aggregated, they have a significant impact on the shape of the Agency's service delivery model.

With alternative channels available, the current DVLA owned face-to-face channel will no longer be necessary for customers to interact with the Agency. For example 1.5 million licensing transactions each year will be e-enabled through the FOCS provider. This provider will need to meet specified customer service targets regarding queuing times, availability of trained staff and regional coverage.

This change in approach will be supported by better communications which will allow the occasional user to understand DVLA services. For example, we will use YouTube to demonstrate how the various service channels work.

Quality and Timeliness of Service

Existing service and accuracy levels will be maintained or improved in the vast majority of transactions as a result of the proposals.

Loss of knowledge and expertise/Processing of complex transactions

Where appropriate, complex transactions will be simplified, reducing the current requirement for specialist expertise at face-to-face locations. This will be achieved through a combination of process re-design, regulation and red tape reduction and closer interaction between government departments with shared responsibility for the checking of roadworthiness and accuracy of data. For example, we will reduce the need for original documents to be produced and increase the use of electronic data checks instead of manual record checks.

The operating model in Swansea will be re-shaped to ensure sector specific subject matter expertise is maximised, ensuring targeted, timely and accurate transactional support. Teams and business processes will be designed to focus on reducing errors and delays. Improvements such as targeted access to contact centre staff and the use of bespoke postcodes for delivery of forms will be made. We will ensure skilled and knowledgeable staff are available to support our commercial and trade customers.

Vehicle Crime and Accuracy of the Record

The level of accuracy achieved at the centre or through intermediaries is as good as that maintained in the current regional operating model. For example, the first registration and licensing of vehicles is already undertaken in 92% of cases by dealers through the Agency's Automated First Registration and Licensing (AFRL) service and the Post Office has long underpinned our tax collection. Preventing and frustrating crime will remain a key focus. Where particular concerns were raised these are addressed individually later in the document e.g. inspections.

Quality of Intermediary Services

Intermediary suppliers are responsible for very high levels of both customer service and accuracy against which the Agency is measured and held accountable. The Agency intends to uphold these standards and improve the levels where appropriate. These standards are very much being incorporated and reinforced through the current FOCUS contract procurement exercise.

Where intermediaries are to undertake additional or new transactions and services, arrangements such as commercial agreements will be introduced to ensure service levels and training requirements etc are fulfilled. Full training and customer migration plans will be developed and followed prior to the closure of any existing channels.

Commercial Stakeholders

We have listened to the concerns of commercial stakeholders and refined our proposals to address the issues raised. We will also involve them going forward in the development of the new service channels to ensure that they are fit for purpose. We will place trust in professional trade associations allowing them to take greater responsibility for the way their members interact with DVLA. This will help improve their effectiveness and reduce overheads. Audit mechanisms will be agreed to provide oversight and protect the public.

Accessibility, Digital Exclusion and Social Inclusion

The Agency is guided by the 'Digital by Default' agenda and has a consistently good delivery record in electronic services since the early introduction of its automated first registration and licensing service, followed by VED collection on the web or telephone and more recent drivers' transactions.

Full Equality, Economic and Impact Assessments have been undertaken to ensure due diligence has been undertaken in considering these proposals.

The Agency will ensure that alternative channels do not degrade the options that customers are legally entitled to e.g. inclusivity and disability access. In many areas the responses from stakeholders and customers was positive in terms of improved access to services and reduced travel burden. We will continue to work with them to maximise the mutual benefit.

Customers who wish to transact using non-electronic methods such as cash payments will still be able to for transactions through intermediaries. Where the alternative is a postal transaction, the Agency will continue to accept postal orders and cheques.

Ability of DVLA Swansea to absorb additional workload

The centre at Swansea will undertake appropriate recruitment and training activities to minimise the risk associated with the transition of all the services. This will include changes to the current telephone contact services and operational teams. In comparison with volumes of transactions already processed at the centre, the addition is small, approximately 5% of total transaction volumes processed.

Feedback from the consultation has shown us that we need to further develop our telephone support services to commercial and trade customers and we are committed to doing this.

Whilst there will be an initial requirement to employ additional resources to handle the new work (envisaged to be a maximum of 450), the long term commitment would be to minimise the impact on headcount through the development of process improvement and efficiencies.

Key Transactions

Registration

The Agency has been working in partnership with the motor industry for many years and currently 92% of vehicle registrations are processed online. Increased take up of this channel will be achieved through enhancements to the existing Automated First Registration and Licensing system, a co-operative digital system with motor dealers acting as intermediaries for registering vehicles. This will include improvements to the process that will reduce the burden on those in the industry who act as intermediaries. For example they will no longer have to hold a supply of tax discs, for which they can feel burdened by paying substantial sums to insure against loss or theft.

Licensing

The Agency has already invested heavily in its online presence; Electronic Vehicle Licensing (EVL) has a take up rate of 54% and the majority of other relicensing transactions are already undertaken electronically using bar-coding technology through an intermediary (currently Post Office Limited). The proposal is to allow a greater range of licensing transactions to be processed through the intermediary channel, increasing the customer face-to-face options from 39 offices to between 4,000 and 6,000. This will e-enable a further 1.5 million transactions annually.

Cherished Transfers

All Cherished Transfer services currently undertaken through a face-to-face channel will be transitioned to more efficient channels through a centralised paper or intermediary channel accessible to all UK customers. The introduction of intermediary enhancements will improve customer experience, not only for the commercial customer but also the consumer.

Inspections

DVLA currently has stringent inspection processes in place through its Local Offices, which are primarily conducted to assess the identity of a vehicle. DVLA will continue to require inspections where necessary. To maintain the same level of customer service and expertise required, the Vehicle and Operators Services Agency (VOSA) is proposed as the intermediary to conduct inspections. This will ensure that inspections will continue to be available across the country, maintaining accessibility for customers and the quality and integrity of confirming vehicle identification.

Trade Licensing

The administration of the Trade Licensing system will be a centralised service at DVLA Swansea. To enable the centralisation of the service, business processes and application forms will be simplified and improved to support the removal of the routine first application interviews and premise inspections. Trade plates and licences will be distributed from Swansea directly to motor dealers.

Enforcement

Enforcement activities will be largely centralised in Swansea. This will include collection of penalties, payments, preparation of court papers and handling of casework such as disputed offences. Network based prosecutors and staff dealing with registered number plate suppliers will remain locally based, as will support for prosecutions in Scotland. These will be accommodated either within other DfT premises or through other government departments. Potential opportunities around home working will also be explored.

Enforcement will be the first area to be centralised under the proposed changes. It is planned to transfer this work to the centre before the end of this financial year. This will minimise the impact and manage the risks effectively. This approach will also allow us to learn the lessons around moving the work to ensure that the more complex counter services transactions are handled in a way that minimises the risk of delay and disruption and which delivers the best service to the customer.