



Vehicle & Operator Services Agency



Business Plan 2004/2005

Foreword by the DVO Director General



Welcome to the 2004/05 Business Plan for the Vehicle and Operator Services Agency (VOSA).

The Agency is part of the Department for Transport's (DfT's) Driver, Vehicle and Operator (DVO) Group – alongside the Driving Standards Agency (DSA), Driver and Vehicle Licensing Agency (DVLA) and Vehicle Certification Agency (VCA). Together, our aim is to promote *safe and secure drivers and vehicles* on our roads.

The DVO Group covers most of the staff employed by the Department; delivers services directly to millions of customers, both private and commercial; and works with a wide range of outside partners. Improving the performance and effectiveness of the Group's services is important to delivering the Department's goal of *transport that works for everyone*.

The DVO Group's strategic priorities are:

- better services to customers;
- better compliance; and
- better value for money.

In support of these priorities, the Group is developing a One Stop Service strategy, focused on the needs of its private and commercial customers. Our goal is to provide more 'joined-up' customer services which make compliance simpler and which deliver significant improvements in efficiency and effectiveness.

This plan shows how VOSA will meet the needs of its specific customers in 2004/05 and contribute to the wider goals of the Group and the Department. It is a challenging and exciting programme.

A handwritten signature in black ink that reads "Stephen Hickey". Below the signature is a dashed horizontal line.

Stephen Hickey
Director General
DVO Group

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Opening words from the Chief Executive



This is the second year of operation of the Vehicle and Operator Services Agency following the merger of the Vehicle Inspectorate and Traffic Area Network in April 2003. Improved customer service and increased compliance remain the drivers for delivery of core services and major investment programmes in the coming year.

Improvements in our services will be realised this year through the delivery of self-service licensing for operators and the development of e-payment facilities for test bookings. By June 2004 we are aiming for operators to conduct 20% of vehicle change transactions to licences online. These new services represent the early stages of development of the commercial customer portal. In future years this portal will offer a full range of Driver, Vehicle and Operator (DVO) Group services online to lorry and bus operators, including internet test bookings. The portal will form an intrinsic part of the DVO One Stop Service vision to provide a full range of online services to all road users by 2008.

The thrust of our compliance work will be based on using improved information and intelligence to target operators who are seen to represent the greatest risk to road safety. This will involve applying a range of enforcement sanctions, as well as education and advice, to address the risks identified. The transfer from the police of Powers to Stop vehicles for roadside checks will further improve the flexibility and effectiveness of our enforcement activity. By April 2005, subject to Chief Police Officers' agreement, we aim to have Powers to Stop across most of England and Wales.

We were pleased with the high levels of customer satisfaction evidenced in MORI customer survey polls in respect of our licensing and testing

'I am conscious of the pressure these challenges place on all members of the Agency but I am confident we will meet them.'

services. Building on these achievements, two of our Key Targets this year maintain our focus on improving service delivery in areas customers have told us are important to them – the turnaround of licensing applications and the availability of tests. We have commissioned another programme of surveys for 2004/05.

Effective partnership working is an essential element of our success and this year our business strategy includes raising the profile of partnerships. The success of our innovative ICT partnership with Atos Origin is critical to the delivery of major technology investment and its consequent impact on our effectiveness. The changing role of the Highways Agency has an impact on our enforcement and accident investigation work, and we have signed a Memorandum of Understanding to ensure we take forward initiatives jointly with the best use of resources.

We have another challenging year ahead of us during which we will have to ensure that we carry on delivering our core services and our major investment programmes whilst addressing the political agenda of finding further efficiency savings. I am conscious of the pressure these challenges place on all members of the Agency but I am confident we will meet them.

A handwritten signature in black ink that reads "Maurice Newey". The signature is written in a cursive, slightly slanted style.

Maurice Newey
Chief Executive

Contributing to the improvement of:

Road safety

Environmental standards

The reduction of vehicle crime...

...meeting DfT's strategic objectives:

Department for **Transport**

To increase safety across all modes

Contributing to the Department's target to reduce the number of people killed or seriously injured on Britain's roads by:

- ensuring compliance with roadworthiness standards through annual statutory testing;
- carrying out post-collision investigations;
- enforcing roadworthiness and traffic legislation;
- supporting Traffic Commissioners in their role as regulators of the commercial vehicle operator industry; and
- administration of the MOT scheme.

'Approximately 300,000 road casualties annually.'

'Around 12,500 injury accidents involve HGVs (approx. 4% of total).'

'Around 10,500 injury accidents involve PSVs (approx. 3.5% of total).'

To reduce the impact of transport on the environment

Contributing to the Department's objective to reduce the impact of transport on the environment by:

- conducting emissions testing on various classes of vehicle;
- weighing lorries to reduce overloading; and
- supporting Traffic Commissioners in minimising the impact on the environment around goods vehicle operating centres.

'Road traffic covers around 475 billion vehicle kilometres annually.'

To improve public transport

Contributing to the Department's objective to improve public transport by:

- registering bus services; and
- handling bus complaints.

To deliver a modern and efficient service

Contributing to the Department's objective to deliver modernised and efficient services for drivers, vehicle users and the travelling public by:

- developing a One Stop Service;
- providing online test bookings; and
- introducing credit/debit card payment;
- computerisation of the MOT process.

To reduce congestion across all modes

Contributing to the Department's objective to reduce congestion and improve the sustainability of the logistics sector by:

- delivery of effective enforcement work, which encourages fair competition.

...and the Home Office vehicle crime target



Home Office
BUILDING A SAFE, JUST
AND TOLERANT SOCIETY

Vehicle crime

Contributing to the reduction of vehicle crime by:

- carrying out Vehicle Identity Checks (VIC) to verify the identity of written off vehicles being returned to the road, thereby deterring the crime of 'ringing'; and
- checking the details of vehicles coming through the Single Vehicle Approval (SVA) scheme against an Interpol database to identify stolen vehicles.

'Vehicle crime accounts for 20% of all reported crime.'

'Over 300,000 cars stolen every year in England and Wales.'

'Number of stolen vehicles fell by 9% over the last year.'

VOSA is part of the Driver, Vehicle and Operator (DVO) Group



Stephen Hickey – Director General
Andrew Stott – Group Modernisation Director
Jonathan Moor – Group Finance Director

The Central Directorates

Responsibilities include:

- developing strategies and policies for the Group as a whole, preparing plans and monitoring performance against them;
- ensuring alignment between the DVO modernisation agenda and the broader policies and priorities of the Department;
- driving forward DVO strategies for better customer service, improved compliance and value for money; and
- supporting the Director General and the Group as a whole.

VCA's responsibilities include:



- ensuring that vehicles and vehicle parts have been designed and constructed to meet internationally agreed standards of safety and environmental protection and crime prevention; and
- publishing data on emissions, fuel consumption and noise for models of vehicles.

DSA's responsibilities include:



- setting standards for drivers, riders and trainers;
- driver education and learning resources;
- registering and supervising quality-assured instructors; and
- effective and efficient assessments, conducted as computer-based and practical tests.

DVLA's responsibilities include:



- maintaining records of licensed drivers and vehicle keepers;
- issuing and withdrawing licences to drivers;
- issuing registration documents and annual vehicle licences to vehicle keepers;
- collecting and enforcing Vehicle Excise Duty (VED)
- selling vehicle registration marks; and
- selling anonymised data.

VOSA's responsibilities include:



- operator licensing and bus registration services;
- annual testing of heavy goods vehicles and public service vehicles;
- supervising the MOT scheme;
- targeted and random checks of vehicle roadworthiness and compliance with drivers' hours and operator licensing;
- offering advice and guidance to help customers comply; and
- accident investigations and research.

Our group mission statement is:

‘to promote safe and secure drivers and vehicles on our roads’.

As an individual Agency we contribute directly to delivery of the Department’s objectives but as a member of the DVO Group we have a greater opportunity to realise a more joined-up and focused approach to: a) delivering front-line services efficiently; and b) contributing to the development of evidence-based policy effectively.

Our developing group strategy focuses on achieving three key outcomes: better services to customers; better compliance; and better value for money. Ten corporate objectives have been identified to secure the successful achievement of the outcomes.

Better services to customers:

- Deliver core services effectively
- E-enable our core customer-facing services
- One Stop Service

Better compliance:

- Help improve road safety
- Improve data accuracy
- Help reduce driver and vehicle-related crime and anti-social behaviour
- Reduce harm to the environment

Better value for money:

- Deliver more efficient services
- Develop our staff to meet the new challenges
- Develop joined-up support services

The table on pages 42 and 43 shows the relationship between DVO corporate objectives, our Agency specific objectives and Secretary of State Key Targets.

In addition to the ten DVO corporate objectives, we have also established a group investment programme which drives through improvements across the DVO Group spectrum. Delivery of this programme will help us meet a key challenge for us as a group: to provide more joined-up customer-facing services. A ‘One Stop Service’ approach is the goal we are adopting to help us meet the challenge. VOSA’s activities towards the achievement of this group goal include work on the Commercial Customer Programme and MOT Computerisation – more details are contained in the main body of the plan.

Apart from delivering Agency specific activity, which forms part of the DVO Group’s delivery agenda, staff from across the Agency are involved in cross DVO projects, working groups and liaison meetings. Involvement ranges from full-time secondment, through part-time one-off activity to regular group activity which is now identified as part of that individual’s job description. This mix of approach allows for the best use of limited resources.

Further details on the group plans can be found in the published DVO Corporate Plan.

VOSA Working with our partners . . .



Other government departments and agencies

- Highways Agency, Environment Agency, HM Customs and Excise, Government Agencies Intelligence Network



Traffic Commissioners

Police



ICT partners

- Atos Origin (formerly SchlumbergerSema), Siemens Business Services, Computacenter, LogicaCMG



European partners

- Comité International de l'Inspection Technique Automobile (CITA), Euro-Contrôle-Route

Trade bodies

- Including Retail Motor Industry Federation (RMIF), Freight Transport Association, Road Haulage Association (RHA), Society of Motor Manufacturers and Traders (SMMT), Confederation of Passenger Transport (CPT), etc



Motoring organisations

- AA
- RAC

Transport Research Laboratory

...to serve our customers



HGV operators

- Over 100,000 operator licences in issue
- Around 420,000 lorries
- 87% of operators with fewer than 5 vehicles
- Average fleet size: 3.7



PSV operators

- Around 8,100 operator licences in issue
- Over 24,000 registered bus services
- 96,000 buses and coaches



MOT garage trade

- Around 19,000 MOT garages
- Approx. 24 million MOT certificates issued annually

Vocational drivers

- In excess of 2 million vocational licences in Great Britain
- Nearly 68,000 vocational, provisional licences issued annually



Trailer owners

- Nearly 250,000 heavy trailers

Importers and kit car builders

- Nearly 2,000 Single Vehicle Approval (SVA) applications received annually for kit cars

Manufacturers

- Over 40 manufacturers in the UK
- 7,000+ component manufacturers



Introduction to the Business Plan 2004/05

Strategic framework

As an Agency we have continually developing strategies which support delivery of the group Corporate Plan. These strategies provide us with longer (10 year) and medium (3–5 year) term views of where we are planning to go. They cover different aspects of the Agency's activity – from what we are trying to achieve (for example improved compliance) to supporting functions (for example Human Resources). The 2004/05 Business Plan is based on these various strategies.

The thrust of all our strategies is to ensure that we make a positive contribution to:

- improved road safety;
- reduced vehicle impact on the environment;
- reduced vehicle crime;
- increased consumer protection; and
- fairer operating competition.

VOSA's business objectives

The Business Plan has external and internal perspectives. Externally, 'what we are providing for our customers this year' and internally 'how are we modernising, managing and investing in our business?'. These perspectives are reflected in four business objectives as follows:

External – delivery to customers

- **'To raise the compliance of the road haulage and passenger transport industries with licensing, roadworthiness, road traffic and environmental regulations and standards.'**
- **'To improve the roadworthiness and environmental standards of private motor vehicles, and to contribute to the reduction of vehicle-related crime.'**

Internal – modernising, managing, investing

- **'To work with DVO Group members and other partners to provide customers with a choice of modern, accessible and user-friendly services.'**
- **'To run an efficient, effective, continually developing and valued business, equipping our staff to make the best use of available technology, skills and knowledge.'**

Layout of this plan

This year's Business Plan is laid out in seven further sections. The first section details our Secretary of State Key Targets for 2004/05 followed by four sections highlighting activity under the four business objectives. In the sixth section, we provide supporting information which is laid out in table form. Lastly, the seventh section of the plan gives an insight into our planning beyond this focal year.

Risks associated with this plan

Risks particular to the delivery of this plan have been identified as follows:

- delivery of core services are unduly disrupted by major change programme roll-out, including MOT Computerisation, operator self-service, and the targeted enforcement framework;
- additional funding (bids for loans or proposed fee increases) to cover new initiatives, additional enforcement activity and continuation of our estate modernisation programme does not get approved;
- investment programmes, particularly MOT Computerisation, fail to deliver; and
- pressures to address efficiency requirements, as anticipated from the government's current review, put higher priority on delivery against the value for money plan and jeopardise our ability to maintain planned customer Service Standards and/or major programme plans.

As highlighted through our recent OGC-approach review of our Business Solutions Programme we run the risk of having in place too big a change programme agenda. We will manage these risks in year through the existing risk management framework already in place at corporate, operational and programme/project management levels.

How we will measure our performance

We will deliver against a range of core service activities, change improvement plans and major investment programmes over the coming 12 months. Performance will be measured through Secretary of State Key Targets, other Key Performance Indicators and front-line Service Standards. Together these form a package of measures for assessing delivery and quality of performance. Further detail is provided in the plan.

Secretary of State Key Targets

The primary measure of our performance will be through the Secretary of State Key Targets. Setting of these targets gives us a clear remit for the priorities for delivery this year.

We have revised the format of these Key Targets. Last year we adopted the approach of six Key Target themes assessed by a number of supporting measures (27), all within a balanced scorecard framework. While this list provided

a challenging portfolio which embraced all aspects of the merged former VI Agency and Traffic Area Network (TAN) Division, it also made prioritisation less clear than the format devised for this year.

The agreed eight Key Targets below cover customer, compliance, financial and investment aspects of our performance. Our Advisory Board monitors performance against these targets on the Minister's behalf.

Customer services and compliance perspective

1. To improve licence application turnaround times by determining 85% of unopposed applications within 10 weeks from the date of receipt of the application.
2. To improve HGV and PSV test availability by offering a test appointment on or within 18 days of the requested date, 95% of the time.
3. To maintain or improve levels of customer satisfaction against 2003 baselines. (Operators – licensing 78%, testing 73%; fitters and presenters – roadside checks 89%, testing 92%; MOT customers 93%.)
4. To contribute to the improved compliance of the lorry, bus and coach industries (operators and drivers) through effectively targeted compliance inspections, penalties and advice; as measured by Performance Gain (PG) points (2003 baseline of 8,295,459).

Financial perspective

5. To contribute to the DVO Group 5% 'Value for Money' target by delivering against an agreed VOSA 'Value for Money' plan, achieving 2.5% efficiency and 2.5% effectiveness measures.

Investment perspective

6. As part of the DVO One Stop Service programme, develop a commercial customer portal delivering access to operator licensing self-service by May 2004, an e-payment facility by 31 March 2005 and development of self-service test bookings for implementation by April 2006.
7. To have a robust MOT Computerisation system being rolled out nationally by March 2005.
8. To agree design templates for our estate modernisation programme and have completed 30% of phase one by 31 March 2005.

Services to the lorry, bus and coach industries

Business objective:

‘To raise the compliance of the road haulage and passenger transport industries with licensing, roadworthiness, road traffic and environmental regulations and standards.’



Delivered through four main spheres of activity:

- Operator licensing
- Commercial vehicle testing
- Education and enforcement
- Accident investigations and research

Within this objective we provide administrative services to the Traffic Commissioners to support them in their commitment to the principles of road safety, the protection of the environment and fair competition within the road transport industries.

Operator licensing

Core licensing activity for 2004/05

Our work within licensing includes providing administrative support to Traffic Commissioners (TCs) in processing operator licence applications, maintaining the records of licence holders and maintaining a register of local bus services. There are currently around 103,000 goods vehicle operator licences and 8,100 bus and coach operator licences in issue. The number of live bus service registrations will remain at approximately 24,000.

Volumes

- Our annual throughput this year will include around 10,600 applications for new licences and 9,300 variations to licences for goods vehicle operators. This represents no change in the volumes forecasted for 2003/04. For bus and coach operator licences, we anticipate 1,100 applications for new licences (a slight decrease over the 2003/04 forecast of 1,200) and 1,250 variations to licences (no change from the 2003/04 forecast).
- We anticipate 4,500 new applications for bus service registrations, a reduction on the 2003/04 forecast of 5,000. We are expecting variations to bus registrations and cancellations to bus registrations to remain broadly in line with the 2003/04 forecasts at 10,000 and 3,200 respectively.

Customer service

A MORI poll of our licensing customers was undertaken last year. It showed a 78% satisfaction with operator licensing but also revealed that our customers' main concerns were dissatisfaction with the speed of issue of licences and inconsistencies between different Traffic Area Offices (TAOs). Last year we undertook a major review of our licensing Service Standards. This review took our customers' concerns on board and we have established a new range of Service Standards that aim to ensure quicker licensing throughput times.

Previously, the start of the 'clock ticking' for licensing processing times was determined by the individual TAO deciding that the application was complete. Now, the clock starts when we receive the application. The new standard aims to reduce considerably the time taken to decide an unopposed licence application which does not have to be decided at a public inquiry from an average of some 13 weeks in 2002/03 to one where a decision is issued within 10 weeks from the date of the receipt of the application. To reflect the importance of this new Service Standard we have identified as a Secretary of State Key Target for 2004/05:

'To improve licence application turnaround times by determining 85% of unopposed applications within 10 weeks from the date of receipt of the application.'

Details of the full range of new licensing Service Standards can be found on page 46.

New work

Given the close similarities of the operations of our licensing teams and the International Road Freight Office (IRFO), it has been decided that VOSA will take on the responsibility for issuing international road freight permits/Passenger Coach Authorisation by October 2004. This takes a further step towards providing a One Stop Service to the operators of road haulage and passenger vehicles. It is planned that this work will be carried out at the Eastern Traffic Area Cambridge Office.

Improving flexibility of the licensing service

In the coming year a number of initiatives are being introduced to provide a better service to our customers. These initiatives will enable customers to carry out work online and to access a number of licensing services in one place. This work will contribute to VOSA's One Stop Service activities for delivery of the Commercial Customer Programme (see page 27 for further details).

Operator self-service

This service will allow operators, via the internet, to:

- access details of their operator licence record;
- track the progress of applications;
- pay licence invoices; and
- add and remove vehicles from their own licences.

A limited trial launch of the service has been successful, with 14% of vehicle change transactions carried out online in December 2003. Full roll-out of the service is anticipated to

'We are very impressed with the system to date – it is a significant time-saver for operators such as ourselves where vehicles are repositioned on a weekly basis. What a relief to get online with the amount of vehicle movements in our fleet.'

Business Post Ltd

commence in April 2004, subject to the successful completion of the infrastructure upgrade and securing DfT security accreditation. By June 2004, it is intended that 20% of vehicle change transactions will be conducted online.

Applying for a licence by telephone

A pilot for telephone applications will be conducted during the year, allowing our staff to gather information from operators over the telephone, thereby enabling us to complete application forms. This will reduce application failure rates so that more applications are correct first time, resulting in quicker, more cost-effective licensing applications.

Credit/debit card payments

Summer 2004 will see the extension of payment channels for licence transactions to include payment by credit and debit card. Initially, there will be a limited pilot in one TAO based on telephone and postal transactions, with the aim of full roll-out to all operators by the end of 2004.

Single stop licensing service

The provision of a single stop licensing transaction service for operators who hold an operator licence in more than one traffic area will be piloted by the end of 2004. The service will allow operators to transact almost all their licensing business with just one TAO, providing a faster and more consistent service.

Electronic bus service registration

This DVO-funded project for a fully electronic bus registration package will enable operators to submit whole applications electronically, ensuring improved data accuracy and increased speed for processing applications. A pilot will be undertaken early in the year and will continue for 4–6 months to establish the viability and methods for delivering complete roll-out of the project. This will include provision of a Geographical Information System (GIS) across licensing and bus registrations, providing us with the ability to electronically map bus stops and routes and to plot the location of environmentally sensitive operating centres.

Commercial vehicle testing

Core testing activity for 2004/05

Our commercial vehicle testing work this year will involve conducting the annual statutory tests and re-tests of lorries and trailers (HGVs), buses and coaches (PSVs), and a limited number of smaller commercial vehicles (LGVs). We also provide a voluntary testing service. In addition, we will certify new buses and coaches, and we will undertake a wide range of specialist inspections, including the carriage of dangerous goods, the carriage of foodstuffs on international journeys, and goods sealed for customs purposes.

Volumes

- We anticipate no significant change in HGV test volumes during 2004/05 (approximately 925,000 motor vehicle and trailer tests), but it is expected that the trend from two-axle vehicles towards three-axle vehicles in the fleet will continue at previous rates for another year at least.
- PSV test volumes are expected to be at the same level as last year (approximately 94,000 tests). Following the introduction of the Disability Discrimination Act (DDA), we are expecting to see a greater number of vehicles with modifications for disabled use. These vehicles will require some additional checks, increasing test time slightly.
- Carriage of dangerous goods (ADR) – the introduction of new regulations on 1 March 2004 made it a requirement for all new domestic vehicles carrying dangerous goods to be approved as fit for this purpose. Previous ADR checks were only required for international journeys and, as a result, we anticipate an increase in volumes of approximately 1,000 vehicles (67%).

- Whenever possible, we will continue to offer operators voluntary checks for brake, headlamp aim, emission levels and speed limiter accuracy to help ensure that vehicles remain roadworthy throughout the year. This year we expect to conduct around 60,000 voluntary tests, with around 70% of these checks being for brakes and 15% for headlamp aim.

Customer service

A number of measurements ensure that we are meeting our customers' requirements and delivering the standards of service that they expect. These measurements include forward booking times, prohibition clearance times, the test error rate and the test cycle time. During the last 12 months we improved or maintained our performance in each of these Service Standards.

For many years customer service has had a high priority within testing. A MORI poll conducted last year showed a 73% satisfaction rate with VOSA's testing services but also revealed that a main concern was the dissatisfaction with the availability of test appointments. Particular difficulties in certain areas of the country were the main problem and actions were taken to remedy the situation.

Achievement last year of the Key Target 'to provide 95% of tests within 18 working days of a request by 1 January 2004' demonstrated improved performance. To ensure this level of performance is maintained, this measure will remain a Secretary of State Key Target, refined for 2004/05 as follows:

'To improve HGV and PSV test availability by offering a test appointment on or within 18 days of the requested date, 95% of the time.'

To improve forward booking times further and to address the issue of recruitment problems in the South East, 20 vehicle inspectors have been recruited from Europe who will be in their posts by April 2004 at critical locations. Our testing support team is a response team of testers which can be sent to specific areas of the country where there is temporarily insufficient resource to meet demand. We will continue to ensure that we have adequate resources to meet customer demand.

Testing Service Standards are contained in the table on page 46. We will continue to work with the industry to ensure we are using the measurements that most directly and sensibly measure aspects of service which are important from the customer's point of view. This will include consultation on whether the forward booking time is the best measurement of customer service.

Policy and strategy development

Our Testing Standards, Policy and Strategy Unit now has responsibility for looking at the consistency of all test standards. By reviewing tests for individual vehicle types, identifying and reviewing differences and implementing plans to bring testing standards closer into line, we ensure clearer and more credible test standards and by doing so help to improve the standards of vehicles on the roads.

Test content development

This will include a strategy for **the introduction of a seat-belt check**. Since 2001 it has been mandatory for new HGVs to be fitted with seat belts. The annual test does not currently allow for them to be tested.

We will also conduct an investigation into how to introduce into the annual test **an effective check for lorry-mounted cranes**. We have been asked to do this by the Department following a series of serious accidents where lorry-mounted cranes have swung into pedestrians and oncoming traffic.

In response to accidents involving the detachment of containers into the path of other vehicles, we will introduce **a test for container location/locking devices used to secure shipping containers** to lorries and HGV trailers.

Revisions to the inspection manuals

We will be publishing an extensive set of revisions to the current HGV and PSV inspection manuals to be in place by the end of December 2004. In the main, the amendments will consist of clarifications arising from enquiries to our testing standards team and updates to reflect changes to legislation. We will inform the lorry and bus trade associations in time for them to let us have any feedback on the revisions before publication.

Learning from a fatal accident

'Had the oncoming vehicle in this incident been a family car or even a coach, the number of deaths and serious injuries could have been much higher.'

Jeff Sweeting, Vehicle Safety Branch

Last year, a collision involving two articulated vehicles which had resulted in the death of one of the drivers was investigated by our vehicle examiners. They found that a missing ISO7638 cable, the primary means of delivering electrical connections to the brakes, was the direct cause.

To ensure learning from the incident and the prevention of further deaths from this cause, we undertook an extensive awareness and guidance campaign at the roadside, at operator premises and through various publications.

Throughout the campaign, we emphasised drivers' and operators' responsibilities in daily walk-around checks and effective vehicle maintenance. Our advice has been hard-hitting, pointing out that if drivers choose not to use the cable and it results in loss of life, then they could be charged with manslaughter. Where appropriate, vehicles have been immediately prohibited and operator maintenance systems investigated. Further action can include reporting to the Traffic Commissioner for possible disciplinary action against the operator.

In addition to the above, we have conducted a survey during the year of these cables on vehicles presented for annual test. Results of the survey will establish if our guidance has been effective or if consideration should be given to including a check on the cable as part of the annual HGV test in the future.

Bus and coach type approval

European Community (EC) Whole Vehicle Type Approval is likely to be introduced in 2008 for new vehicle types. For medium and large passenger vehicles approved as public service vehicles, the type approval regime will replace the present system of examinations of individual vehicles to the Certificate of Initial Fitness and other Regulations. The regime will also include large and medium size passenger vehicles for private use. A feasibility study will be undertaken in 2004/05, in association with the Vehicle Certification Agency (VCA) and the Driver and Vehicle Licensing Agency (DVLA), of the arrangements necessary to prepare the UK bus and coach manufacturing industry for the introduction of type approval in four years' time.

The EC Bus and Coach Construction Directive, introduced in August 2003, is an option for some manufacturers, as are the Economic Commission for Europe Regulations for large and medium size passenger vehicles. We will investigate and introduce a test method for features of vehicles built to these alternative requirements.

Operator self-assessment

In January 2004, we began a study into the feasibility of selected HGV and PSV operators undertaking their own annual tests. A facilitated workshop to identify issues, risks and constraints of this work was held in February with members from VOSA, Atos Origin and DfT in attendance. A report detailing the pros and cons of self-assessment will be produced early this financial year as a result of the feasibility study and further work may be commissioned during 2004/05.

Improving vehicle standards through research

Improvements in the heavy vehicle industry move at a swift pace. We will be collaborating with DfT colleagues and others to ensure that our safety policies and standards match the developments within the industry to deliver modern and cost-effective inspection procedures. The evidence we gather will positively inform all those involved in developing future inspection policies. Some examples for this year follow.

Headlamp aim

Headlamp aim has the highest test failure rate of all test items (around 20% for HGV, 10% for PSV). A major review of the causes of headlamp aim failure has been completed. We will be taking forward agreed recommendations in the coming year.

Brake testing

Poor brake performance is a common test failure item and because of this we will be reviewing our brake test procedure as part of the procurement of new roller brake testers for our Goods Vehicle Testing Stations (GVTS). This ongoing programme of work will deliver more information about the reasons for failures and the repairs needed to correct them.

Low emission diesel research

This work will be concluded by April 2005. The outcome will be a series of recommendations on the equipment and techniques necessary for an effective tailpipe test for light- and heavy-duty low emission diesels. The aim of the test will be to detect defective vehicles emitting high levels of oxides of nitrogen and fine particles (PMs) probably using vehicle-specific PM-level limits. We are already sharing some of the emerging findings with colleagues in Europe through the EC Technical Adaptations Committee and Comité International de l'Inspection Technique Automobile (CITA).

Education and enforcement

Core enforcement activity for 2004/05

Our core activities include audits on operators' premises and systems, checks of vehicle roadworthiness and monitoring compliance with road traffic legislation. Modern safer vehicle designs mean that driver behaviour and operator control systems are becoming more significant in terms of improving road safety.

Enforcement activity will include a full range of educational and advisory work as well as taking firm action against serious and serial offenders through impounding, prohibitions, prosecutions and public inquiries. In undertaking our enforcement activities we will endeavour to ensure minimum disruption to compliant operators and drivers and their passengers. This is encompassed in our Service Standards for enforcement work, as detailed in the table on page 47.

As our work is not the sole contributory factor in determining improved road safety, we can only use the road casualty figures and trends as a calibration measure as to the success or otherwise of our performance. A more direct way of measuring our contribution and effort each year is through our Performance Gain system which allocates points to our enforcement activity outputs (eg inspections and education activity, prohibitions and impoundings, etc). We aim each year to become more effective in delivery of our enforcement activities and to agree a programme of work with relevant DfT divisions to include a number of points to be achieved. A Secretary of State Key Target reflects the importance of this work:

'To contribute to the improved compliance of the lorry, bus and coach industries (operators and drivers) through effectively targeted compliance inspections, penalties and advice; as measured by Performance Gain (PG) points (2003 baseline of 8,295,459).'

During the year we are trialling improved planning of enforcement work to encourage better goal setting and partnership working at local area and regional levels. This pilot will build on the improved use of existing and new intelligence and targeting mechanisms.

While still able to demonstrate the number of PG points achieved, we will also be able to prove more transparent goals, for example 'improved standard of school buses in any town', through specific enforcement and advice resulting in fewer complaints and reduced risk of accidents.

Breaches of drivers' hours legislation

This has a high priority in our targeting due to the impact driver fatigue has on road safety. To help raise awareness of the dangers of breaching drivers' hours regulations and to raise compliance levels, copies of our drivers' hours video will be distributed to all new operators.

Our examiners will continue to spot check tachograph charts both at the roadside and during visits to operators' premises. Drivers found in breach of driving time or not having had the required amount of rest will have their vehicles prohibited and, if in the public interest, will be prosecuted. We will check the records of HGV and PSV operators whose vehicles have been involved in fatal or near fatal collisions immediately following the incident for any sign of drivers' hours or speeding offences.

VOSA has a role in enforcing specific requirements of the Working Time Directive for mobile workers subject to drivers' hours legislation. These requirements include the right to health checks for night workers and an average 48-hour working week. Our powers are only reactive, so complaints from employees will be investigated and, where necessary, advisory letters and improvement notices will be issued to employers.

The overloading of vehicles

Vehicle overloading causes damage to the road network and creates unfair competition. Following a review last year, we will distribute educational material to both operators and drivers, spelling out the dangers of overloading and how to avoid it. Subject to agreement with the Highways Agency (HA) and funding from the Capital Modernisation Fund, we will be looking to trial links between VOSA Automatic Number Plate Recognition (ANPR) cameras and Weigh In Motion Sensor (WIMS) equipment installed on motorways and trunk roads by the HA. This will enable us to target potentially overloaded vehicles for weighing. Additionally, we can establish times and locations where overloading is most prevalent and create a targeting database of those operators and operator types most likely to overload.

Supporting Traffic Commissioners

The 'O'-licensing regime safeguards road safety, environmental standards and fair competition in the haulage and passenger transport industry. Our roadside checks and premises visits support this by ensuring that operators abide by the conditions of their licence. Visits to newly licensed operators will continue to help them put in place systems to ensure compliance with roadworthiness and road traffic legislation.

Casework by our compliance staff, intelligence officers, area enforcement examiners and prosecution and legal services teams support the Traffic Commissioners in their public inquiry work. We are exploring, jointly with the Traffic Commissioners, how we can make these teams more effective and the processes used more streamlined. At all times we are conscious of the need to safeguard the independence of the Traffic Commissioners.

Impounding

In recognition of its deterrent effect, we will continue strongly to apply the policy of impounding vehicles of illegal operators who work outside of the 'O'-licence regime. This is a high-profile initiative using intelligence to target known offenders. Legislation enabling us to impound illegally operated vehicles came into effect in January 2002. Since then we have impounded 272 vehicles, 85 (31%) of which were issued with immediate prohibitions and 58 (21%) with delayed prohibitions, 128 (47%) were disposed of and seven were returned to finance companies.

Emissions checks

Subject to Departmental approval, we will reduce the number of HGV and PSV emissions spot checks that we carry out. As the fleet becomes modernised, the need for these checks (as a deterrent to inadequate maintenance) has gone away, and the resource used to conduct them will be better used on targeted roadworthiness checks.

Improving effectiveness

This year we will maintain the drive to increase our effectiveness through intelligence-led targeted enforcement. This ensures best use of our enforcement resource as well as reducing the burden on compliant operators. Risk assessment and reduction will form the basis of our compliance monitoring and targeting framework.

Risk-based approach to managing compliance

Our strategy is to deploy our education, advisory and enforcement activities according to the road safety risk each operator poses. To support this, we are developing an Operator Compliance Risk Score (OCRS), which will evaluate risk according to criteria such as fleet size, the type and age of vehicles, and annual test performance to provide us with a way of prioritising our activity. The risk score will be developed from the point at which an operator first applies for a licence, and will be maintained and adjusted over the life of the licence. The development of this scoring regime will continue throughout the year.

Targeted enforcement framework

Targeting our resources on the non-compliant has been at the heart of our enforcement approach for many years now. In the past year we have been working with our partners Atos Origin to look at further improvements on how to better focus our limited resources on non-compliant operators in the HGV and PSV industries. A project has been running to develop a targeting framework which will be intelligence-led and which will establish a uniform and common approach to targeting. The framework will utilise the OCRS methodology described above, and will allow for national, regional and local targeting processes. It is planned to pilot the resulting framework in the coming year. In future years we want to be able to have performance measures which will clearly demonstrate an improved targeting ability.

We have set an internal Key Performance Indicator as follows:

'To establish an agreed framework for improving VOSA's ability to target resources more effectively on the non-compliant, with a view to delivering measurable improvements in 2006/07 against a baseline from the 2005/06 performance.'

Best use of the OCRS methodology and targeting framework will come from the availability of easier to use mobile devices for inputting and accessing data at the roadside.

Mobile data access at the roadside

We will continue to develop a handheld, portable device for accessing and inputting data at the roadside. The kit will be compatible with other enforcement information and technology, and will allow our examiners to capture relevant vehicle details at the point of contact. A preliminary solution will be put to a selected number of pilot users by October 2004, and following a period of evaluation and refinement it will be rolled out to one enforcement area by April 2005. If successful, a full roll-out is scheduled for the end of July 2005.

ANPR technology – the next steps

VOSA's ANPR pilot in 2003/04 enabled significant improvements in targeting effectiveness and intelligence gathering. We are extending the deployment of equipment and coordinating our activity with other agencies to make best use of the camera network on British roads. One of our first priorities for this year is to assess and evaluate the use of ANPR cameras to enforce the 'O'-licence regime.

Our project plans are in line with the emerging DVO Camera Strategy and VOSA is playing a full part in developing that broader approach. Over the next two years we will establish whether to install further sets of ANPR equipment to assist in our targeted enforcement work.

Improving delivery of our enforcement activity

Further Powers to Stop, a reorganisation of our Compliance and Intelligence Units and more frequent editions of our free publication to operators are further pieces of work that we will be doing this year to improve delivery of our enforcement activity.

Further implementation of Powers to Stop

The Police Reform Act 2002 provided a mechanism for VOSA examiners to be accredited by Chief Police Officers to stop vehicles for roadside checks. Following our successful pilot of Powers to Stop in

six police force areas, we are, subject to the Chief Police Officers' agreement, planning a national roll-out of the scheme throughout most of England and Wales by April 2005 with a further 12 vehicles brought into operation. Having Powers to Stop offers us a more flexible approach to our enforcement activity. It should assist in improving our efficiency and effectiveness by making us less reliant on outside support and therefore better able to plan and deliver our enforcement strategy.

If the Association of Chief Police Officers in Scotland (ACPO(S)) give approval in principle to VOSA having Powers to Stop in Scotland, detailed discussions will take place with the Scottish Executive and DfT to seek a legal framework for these powers.

'Compliance' and 'intelligence' merger

As part of our programme to merge the former VI Agency and TAN Division, we have been looking at our operational capability. In particular the synergies between the Compliance Unit from TAN Division and the Intelligence Unit from VI Agency. As a result of research work last year, we will be running a pilot in the coming year to merge these two activities and in doing this streamline the processes covered by the two existing functions. The pilot will run for three months and cover one of the six TAOs and associated VI Intelligence and Area Enforcement Offices. After the pilot we will plan to roll out the merger across the country. This is encompassed in the following Key Performance Indicator:

'To improve the quality of our enforcement intelligence and casework through completion of a comprehensive pilot to merge the compliance and intelligence units and subsequent agreement of a roll-out plan across the business.'

More frequent editions of *Moving On*

'I welcome your publication [Moving On] with open arms and have thought there's a need for such "communication" for a matter of years now. Being a CPC holder for my depot I enjoy keeping abreast of matters in our industry and found this refreshing.'

Dave Stocks (Manager), TNT UK Ltd

Since November 2001 we have published a free newsletter for the lorry, bus and coach trade, entitled *Moving On*. Originally we published this twice a year, and what started out as a publication that provided information and advice on VOSA services was broadened to include information from other DVO Group members. In response to positive customer feedback and through a desire to keep our customers more frequently updated about legislative changes, we will be publishing the newsletter four times annually from this year.

New initiatives and policy

Fixed penalties and graduated deposits

Building on the work already started, we will continue to develop proposals to impose financial penalties for offences detected at the roadside. Proposals include the banding of offences where the more serious the offence, the greater the amount payable. Foreign drivers and those drivers with no UK address would be required to pay immediately, whilst domestic drivers would be given longer to pay. VOSA has secured DfT funding to cover further development work this year.

Dangerous goods security checks

In January 2003 the United Nations (UN) set out a number of measures to improve the security of transporting dangerous goods. The adoption of these measures will become UK law in July 2005. As a result, our activity in this area will expand from carrying out roadside checks of vehicles carrying dangerous goods to conducting security checks of premises where dangerous goods are stored. This year we will be working with DfT to determine how these measures will be enforced and to develop an implementation programme, including guidance and training for staff.

Digital tachographs

The introduction of digital tachographs, now expected to commence during 2005, will require the use of fundamentally different techniques to monitor and enforce drivers' hours compliance. VOSA are developing IT-based tools for deployment to our own specialist enforcement staff, the software for which will be adaptable to the needs of police and other enforcement bodies. A programme of training for enforcement and other staff is under development and will be delivered at the time of the implementation of digital tachographs.

Accident investigations and research work

Accident investigations

In the coming year we will continue to conduct thorough inspections of HGVs and PSVs that are involved in collisions in order to identify any mechanical faults and whether they could have caused the collision. We are invited by the police to inspect such vehicles. These investigations can be carried out at the scene of the accident or once the vehicle has been removed from the site. We conduct in the region of 3,000 collision investigations per year. We work with the Highways Agency (HA) to coordinate how we conduct these investigations.

A better understanding of the causes of collisions can help us to prevent their occurrence, and enables us to contribute directly to DfT's target to reduce road casualties by 40% between 1999 and 2010. This year we will add five specially equipped Post-Collision Examination vans to our fleet to bring the total fleet size to 11.

In conjunction with the Transport Research Laboratory, who manage the collisions database for DfT, we will investigate if there is a connection between the quality of vehicle operator/operation and the frequency of involvement in collisions. The results of the research will help to direct both our enforcement activities and our education programme.

Safety defects

We will continue to work with manufacturers and trade associations to investigate (or initiate investigations into) reports of safety defects alleged to be the result of design or construction deficiencies and continue our commitment to work with other European Union (EU) member states and other countries. This includes sharing information about defects and recalls and the processes to deal with them.

Our seven voluntary codes of practice cover the entire process of how safety defects are investigated. In light of changes in the EU General Product Safety Directive, we are reviewing our seven voluntary codes of practice with the trade associations, DfT and the Department of Trade and Industry (DTI).

Services to private vehicle owners

Business objective:

‘To improve the roadworthiness and environmental standards of private motor vehicles, and to contribute to the reduction of vehicle-related crime.’



Delivered through five main spheres of activity:

- MOT scheme supervision
- Single Vehicle Approval inspections
- Light vehicle enforcement and emission checks
- Reducing vehicle-related crime
- Research and policy development

MOT scheme supervision

Through our supervision of the MOT testing scheme for private motor vehicles, we regulate standards and seek to raise the general level of compliance. This supports our aim by making such vehicles on the road safer and less damaging to the environment. We are anticipating a 1–2% growth in volumes for MOT testing this year, taking the number of annual tests conducted by MOT garages to around 24.5 million.

Core activity for 2004/05

We supervise standards in the MOT scheme through routine and targeted checks of MOT garages and testers. Our activity includes counselling sessions to provide advice and support to MOT Authorised Examiners (AEs) and Nominated Testers (NTs).

Through the provision of MOT training, we ensure that AEs and NTs are trained to the standard required to administer the MOT test. The figures below outline the MOT training that we forecast we will provide this year.

Forecast MOT training volumes 2004/05

Courses	2,073
Students	18,257

To ensure that MOT garages are able to satisfy demand for tests and provide test certificates, we have a Service Standard stating that we will issue MOT certificate pads to MOT garages within a

maximum of one day from receipt of a request. All of our Service Standards for the administration of the MOT scheme can be found on page 47.

Improving the standard of MOT training

Early in the year, in consultation with the trade, we will conduct a feasibility study into NT training provision. We propose a review of the basic concepts of NT training for the future, incorporating entry requirements, availability, delivery and training methods. This is in addition to the current plan to extend courses for new testers and to widen refresher training to additional testers.

All of the MOT-related courses have been redeveloped to incorporate material about MOT Computerisation and to provide more ‘hands-on’ practical training. In addition to this, we are introducing a motorcycle testers refresher course. All of the new aspects of the MOT courses will be in place from May 2004. The computerisation elements will be introduced during the roll-out of the MOT Computerisation programme.

Improving standards monitoring

During the coming year we will be researching initiatives which have the potential to improve the standard and repute of the MOT scheme in future years. These include giving powers to Vehicle Examiners to use defective vehicles on ‘mystery shopper’ tests.

VOSA is committed to exploring a risk-based scoring system to be applied to MOT garages and MOT testers. This will enable more effective targeting of spot checks aimed at detecting deliberate non-compliance and better use of educational and advisory services to raise compliance levels. A risk-based approach will

enable VOSA to examine the feasibility of introducing a garage rating system, which will enable motorists to easily identify the standard of service they can expect at each MOT garage.

Improving effectiveness – computerising MOT testing

MOT Computerisation will be the single biggest change to MOT testing since the scheme's inception over 40 years ago. The programme has been delayed due to software development taking longer than anticipated; this is because it is vital that the system is reliable and robust before being installed in garages. After a period of comprehensive testing and trials that will involve almost 1,000 MOT garages, we plan to roll out the new system to the first MOT garages by the end of the year.

In view of the significant investment in this new service, the planned roll-out is embedded in one of our Secretary of State Key Targets as follows:

'To have a robust MOT Computerisation system being rolled out nationally by March 2005.'

MOT Computerisation will ensure more consistent testing standards by providing MOT testers with information specific to each vehicle undergoing testing. New receipt-style certificates backed up by a national database will reduce the incidence of test certificate theft, fraud and forgery, thereby improving consumer protection.

The system will improve the administration of the MOT scheme and will provide a database of test results for the approximately 24 million vehicles that are tested annually. We will also be able to increase the efficiency in supervising the MOT scheme by enabling our examiners to target activities on those garages with poor testing standards and by enabling us to identify more effective enforcement, supervisory and support measures.

The MOT Computerisation database will provide details of MOT test results to DVLA to extend the Electronic Vehicle Licensing (EVL) programme in 2005 to cover vehicles requiring an MOT test.

The Electronic Vehicle Licensing programme will enable motorists to relicense vehicles online as part of the government's drive to deliver modern, efficient services. This is one of the Prime Minister's PSA e-enabled services.

We will also be able to improve MOT scheme compliance because we will be able to identify, through comparison of the MOT database with DVLA records, those motorists who have not got MOT certificates.

Single Vehicle Approval inspections

The Single Vehicle Approval (SVA) scheme is a pre-registration inspection for cars and light vehicles that have not been type approved to British or European standards, including amateur-built vehicles and vehicles using parts from previously registered vehicles.

The main purpose of the check is to ensure that these vehicles have been designed and constructed to acceptable safety and environmental standards before they can be used on public roads.

We also carry out Enhanced Single Vehicle Approval (ESVA) for commercial imports of non-type approved cars and light vehicles and Motorcycle Single Vehicle Approval (MSVA) inspections.

Core activity for 2004/05

Combined SVA and ESVA volumes are expected to be in the region of 30–35,000 this year. The majority of imported vehicles are required to use the ESVA inspection which applies more detailed technical requirements than the SVA scheme.

However, a loophole in the regulations has allowed a large number of vehicles to undergo the less stringent SVA inspection. A change in the regulations from 1 April 2004 will close this loophole and the majority of vehicles will then

undergo the more rigorous ESVA check. It is also anticipated that the overall ESVA/SVA volumes will be up to 25% lower than in 2003/04 as a proportion of last year's trade is believed to have been 'opportunistic' regarding the loophole and volumes are not expected to continue at the same rate.

A new designated premises will be opening in the Avonmouth area of Bristol, where a car importer and shipping company have agreed a joint venture which is expected to bring in additional SVA volumes. Extra examiners will be recruited as appropriate to manage any increase in workload.

We are planning to undertake 12,000 MSVA inspections this year, but, due to the seasonal nature of volumes and the fact that the scheme has been in operation only since June 2003, we will be closely monitoring actual volumes to check that our assumptions are still valid.

Improving the administration of the SVA schemes

In anticipation of the increase in ESVA tests in 2004, we have developed a code of practice for how Model Reports are generated and managed. Model Reports are technical documents used for the ESVA test that are derived from technical tests carried out in test laboratories. The information in them is restricted commercial information and cannot be divulged to anyone not entitled to view it. The code has been developed and agreed with our customers (vehicle importers) and the test laboratories to ensure an efficient but appropriately secure process.

A post-implementation review of the MSVA scheme will be conducted in late summer in order to assess the scheme in its first year of operation. This will be conducted with DfT and will seek feedback from customers and examiners to look at the technical and other aspects of the scheme.

Light vehicle enforcement and emission checks

The police undertake most in-service checking of light vehicles. We carry out roadworthiness and emissions checks on some light vehicles. Our light vehicle enforcement activity involves roadside checks of cars, taxis, private hire cars, non-testable vehicles (including mobile cranes and diggers) and Light Goods Vehicles (LGVs), which are goods vehicles not exceeding 3,500 kg gross weight.

LGV enforcement

Our programme of LGV roadside spot checks will continue this year. An LGV and car fleet compliance check was carried out in September 2003 and analysis of the results is expected by spring 2004. These surveys provide us with valuable information about the compliance of these vehicles with relevant road safety legislation compared to other vehicle types. Following a review of the results this year, we will examine the business case for increasing the numbers to be checked.

Light vehicle emissions checks

As a result of increasing numbers of local authorities gaining approval from DfT to conduct emissions checks, we will be reducing the amount of this work that we carry out in areas where funding is available for accredited local authorities to undertake their own checks. In these areas, this will allow us to divert resources to other enforcement work.

Reducing vehicle-related crime

Vehicle crime is a serious problem. It hits motorists' pockets through higher insurance premiums or through the risk of buying a stolen car. It accounts for a fifth of all recorded crime and costs the economy an estimated £3 billion a year.

The Vehicle Identity Check scheme helps fight vehicle crime by deterring criminals from stealing cars and passing them off as repaired accident-damaged ones.

Vehicle Identity Check

The Vehicle Identity Check (VIC) scheme was introduced in April 2003 to verify the identity of vehicles returned to the road after being written off by insurance companies.

Since the scheme was introduced there has been a 9% reduction in car theft.

We are expecting volumes to stabilise at around 45,000 a year – a rate much lower than originally anticipated when the scheme was launched. These volumes will be carefully reviewed and monitored to ensure that the resources employed to carry out checks match the levels of demand.

Additionally, we will:

- renegotiate the protocol between VOSA and the police, to take account of the lessons learned during the first year of operation;
- provide an input to DfT's benefits review;
- investigate, quantify and work to remove obstacles for the lower than expected volumes; and
- conduct a MORI poll of users of the service which will be completed by October 2004 and, depending on the results of the poll, could lead to an action plan by the end of the year.

Investigating links to Interpol's database

We will review the outcome of a trial of an addition to the SVA test that compares imported vehicles' details against an Interpol database to detect whether the vehicle is stolen. This trial was completed at the end of 2003/04. We will analyse the results and, if it is cost effective to make this check a permanent feature, we will seek a direct link with Interpol instead of the current link via DVLA.

Research and policy development

Car and motorcycle technology, and the equipment needed to examine it, is advancing at a phenomenal rate. It is vital that our testing schemes keep in step with these changes to ensure that road safety is maintained and improved. The evidence gathered from our light vehicle research will be used extensively to inform not only our own testing policies but those of other European member states, through CITA and other partnerships, as we pursue harmonised test methods. Some examples for this year follow:

MOT automated test equipment

Phase 1 of our trial of automated MOT test equipment, which checked the usability of such equipment, is complete. We have since embarked on phase 2 of the trial, which is a practical assessment comparing this equipment with the standard two-person method of testing. This trial will report late in 2004 and we will make recommendations based on the report's findings. The equipment could potentially allow more efficient testing and the trade has shown considerable interest in our trial.

Diagnosis of Electronic Systems

In partnership with the testing agencies in Germany and Spain, work will begin on the Diagnosis of Electronic Systems (DELSY) project. This work will look at developing a single European test of the validity of car on-board diagnostics.

Low emission petrol research

In partnership with DfT, we will embark on a six-month trial looking at the practicalities of using electronic scanning tools to support improved checks on the exhaust emissions of modern cars.

Headlamp aim

Lighting defects are the highest single cause of test failures amongst cars (around 16%) and motorcycles (around 10%). Towards the end of 2004, we will complete our research into what can be done to reduce failures for poorly aimed car and motorcycle headlamps. This work will also provide information on new vehicles being produced which have complex headlamp shapes.



Modernising our services

Business objective:

‘To work with DVO Group members and other partners to provide customers with a choice of modern, accessible and user-friendly services.’



Delivered through four main spheres of activity:

- Contributing to the One Stop Service vision
- Understanding our customers
- Providing choice and user-friendly services
- Working with our partners

Contributing to the One Stop Service vision

One Stop Service

We are committed to supporting the DVO One Stop Service vision. We are working with the other Agencies in the DVO Group to deliver this vision, which will make a wide range of DVO services available to customers by 2008. This could be through a single information-rich website, a call centre, at physical locations (such as VOSA test stations) or through third-party intermediaries.

One Stop Service will serve two distinct customer groups: consumer and commercial customers. Consumer customers include car drivers and motorcyclists. Commercial customers include lorry, bus and coach operators, commercial drivers and all other businesses we transact with. Two portals, the consumer customer portal and the commercial customer portal, will serve these two customer groups. VOSA will lead the development of the commercial customer portal and DVLA will lead on the consumer customer portal.

'This is a new appointment and there is a lot of work to do. In particular we are looking at the customer research already undertaken to properly develop a One Stop Service for commercial customers that increases both efficiency and compliance. Once that has been done, I expect to talk to as many of our customers as possible to test our proposition.'

Jeremy Rolstone,
Commercial Customer Director

Where possible we will undertake the shared development of services and capabilities to deliver electronic channels. For example, DVLA's work on electronic driving and vehicle licensing services, DSA's test booking service and VOSA's work on security and identity management will be developed to present services in a joined-up way so they best meet the needs of each customer segment.

Over the next two to three years the development of the commercial customer portal will include access to the full range of DVO Group services both online and at VOSA test stations.

Commercial Customer Programme

Initial work within this programme will develop the commercial customer portal; an internet site providing key DVO services to the commercial operator and driver online. The first phase of the delivery of online services will include the following:

- **Operator self-service** – see page 12. A fully merged VOSA website will be operational from May 2004, supporting the full roll-out of operator self-service licensing services.
- **Self-service test bookings.** This service will enable customers to book their HGV and PSV tests online. It will be developed this year with a view to delivery by April 2006.
- **E-payments.** This will provide a more convenient service for our customers by allowing them to pay for test bookings using a credit or debit card. This service will be available from April 2005.

This portal will provide accessible and customer-friendly channels for licensing and testing services and payments. It will also improve the quality of data we are able to collect, which will help us to identify what our customers require from our services. The importance that we attach to the development of the portal is reflected in the following Secretary of State Key Target:

'As part of the DVO One Stop Service programme, develop a commercial customer portal delivering access to operator licensing self-service by May 2004, an e-payment facility by 31 March 2005 and development of self-service test bookings for implementation by April 2006.'

Understanding our customers

Knowledge of our customers and their requirements is not just essential to the development of the commercial customer portal but to the effective delivery of all our services. This knowledge is enhanced by conducting workshops and seminars where we are able to communicate with our customers on a two-way basis. Additionally, customer surveys inform us of how well our customers think we are performing and where we might improve. Along with workshops and surveys this year, we will also put in place a system to measure customer satisfaction of our customer complaint-handling procedures.

Workshops

We will carry out a series of DVO regional commercial operator workshops this year. These workshops provide the opportunity to update customers on current DVO-wide issues, to answer their questions and involve them in a series of small focus groups to consider key issues, such as the development of the commercial customer portal and how it can be designed to best meet their needs. Additionally, a Motorcycle Single Vehicle Approval workshop for motorcycle manufacturers will take place to gain feedback from the first year of this scheme.

Surveys

During summer 2004, we shall be conducting a further DVO commercial operator survey with the results expected during the autumn. This will update customer feedback on cross-agency service delivery, overall satisfaction and the possible take-up of future initiatives. The survey will be followed by a second drivers', fitters' and presenters' survey of front-line customers to update customer satisfaction measures for testing and roadside enforcement.

The results of these surveys will be looked at in depth as per 2003/04 to form action plans for improvements that we can make to our service. The importance we associate with such action plans is reflected in the fact that two of our Secretary of State Key Targets this year (licensing turnaround and forward booking times, see page 9) are focused on the two main areas of service delivery that concerned operators at the time.

Following the surveys of the motoring public and the MOT garages during 2003/04 about the MOT test, work will take place during 2004/05 to produce a three-year vision that will incorporate the key messages coming out of both surveys. A further MOT garages survey is planned for early 2005.

It is important for us to continually monitor our relationship with our customers and, as such, we will look at not only the in-depth findings of these surveys but also what general satisfaction levels are being portrayed by them. We would always look to improve our customer satisfaction levels and aim to improve them each year. In the coming year, however, we are cognisant of much major change within the Agency and therefore our Secretary of State Key Target is set as follows:

'To maintain or improve levels of customer satisfaction against 2003 baselines.

(Operators – licensing 78%, testing 73%; fitters and presenters – roadside checks 89%, testing 92%; MOT customers 93%.)

In-depth interviews with representatives of the main trade associations will also take place in early 2005 to add to our ongoing feedback that we obtain through regular meetings with these groups.

Race Relations (Amendment) Act 2000 compliance

VOSA will deliver services to all customers fairly and equally, and, as a public body, will aim to eliminate racial discrimination, promote equality of opportunity and good relations between people of different race, religion and belief. During 2004/05 and through the activity of a working group, we will carry out impact assessments on key processes within VOSA and initiate appropriate action to ensure compliance with our duties under the Act. Furthermore, we will consult various groups as part of the process of developing a Race Equality Scheme Action Plan that will be published by the end of 2004.

Providing choice and user-friendly services

In order to support operators in their efforts to achieve compliance, it is important that we are able to provide them with the facilities and information they need in order to do so, via the range of access channels that they prefer to use.

VOSA website services

During spring 2004 a complete, redesigned VOSA website will be launched, merging content previously dispersed between the old VI and TAN

websites. The new website will focus on our external customers, with distinct customer segmentation so that all information that specific customers require (eg HGV drivers or operators) is contained in the same section. The website is being designed following Plain English and the government's web guidelines, ensuring clear navigation and easy to understand content. Additionally, the website will be fully accessible to those with disabilities. For example, the website will be compatible with 'Blind Readers', and navigation key shortcuts will be included so those with visual or mobile impairments are able to access all content.

Expansion of training premises

To improve the service we provide to our customers, and to cope with the extra work the extended MOT courses will bring, we are expanding our network of training sites from 12 to 22. All should be operational by September 2004.

Enquiry Unit

VOSA's Enquiry Unit deals with calls from the commercial customer, the general public and from importers within and outside the EU. Calls can cover a wide range of areas, such as: test bookings, test standards, type of test required; European Type Approval Directive compliance; MOT/VIC certificate authentication; and intelligence gathering.

The unit's level of service that is made available to the customer continues to expand. In 2003, staff were trained to give advice on the Motorcycle Single Vehicle Approval (MSVA) scheme and elements of the Health and Safety – Working Time Directive, subject to complaints around EC Drivers' Hours and Domestic Hours. The Enquiry Unit team has also contributed to the success of the merger between TAN and VI by handling all the general 'O'-licensing calls for the Eastern TAO. Such has been the success of the trial, it is now planned to roll-out this service to all TAOs.

We offer customers a single point of contact via our national number, and we will work closely with other call centres within the DVO Group to share knowledge and best practice, with the goal of delivering more seamless and joined-up services.

Operational flexible working

We have established a working group to explore the feasibility of extended opening hours to better meet the needs of VOSA customers. A trial of extended opening hours will take place during 2004.

Improving partnership working

We recognise the advantage of working with other agencies in order to ensure maximum effectiveness of our own contribution towards improved road safety and better customer services. Partnership working has therefore played an important part in the way the Agency has operated to date, whether it has been in devising a strategic partnership with our new ICT partners (Atos Origin) or working closely alongside other enforcement agencies.

In the coming year we want to give a higher profile to our partnerships and a focus on improving what we put into them and what we get out of them. This work will include reviewing existing and possible partnerships, implementing relevant improvement action plans and exploring what measurements might help us understand and deliver benefits from existing and new partnerships.

Operational partnerships

Police

We will continue to support the police in the targeted HGV and PSV inspection operations that they lead each year. These include Operation Mermaid, Operation Tourist and Operation Coachman. **Operation Mermaid** is a national targeted check of goods vehicles that is coordinated by the Metropolitan Police. The checks are carried out on average at 45 locations throughout the country. We will provide intelligence to help with targeting and we will also examine vehicles at these checks for both mechanical and traffic offences.

Operation Coachman focuses on PSVs used on school services. **Operation Tourist** is a nationwide, multi-agency check on vehicles travelling on day trips to seaside resorts or other tourist attractions and those carrying people travelling to or from holiday. These checks are an effective way of detecting vehicles and operators who fail to meet the required standards. We will support the police in these checks in the same way that we do for Operation Mermaid.

Highways Agency

The Highways Agency (HA) is an Executive Agency of DfT, and is responsible for operating, maintaining and improving the strategic road network in England. The Agency's aim is 'Safe Roads, Reliable Journeys, Informed Travellers'. VOSA has a long-standing relationship with the HA which acknowledges our shared interest in the road network and its users.

VOSA has signed a Memorandum of Understanding with the HA to develop areas of mutual interest and opportunities for joint working. Priorities include:

- partnership working on network issues, including the funding of new sites and sharing site space;
- identifying common objectives for post-collision inspections, including the possibility of joint training for VOSA and HA staff in evidence gathering; and
- possible integration of VOSA and HA ANPR and WIMS equipment.

DVO Group

We help the DSA to maintain high standards of car and LGV driver training by investigating reports of alleged illegal instruction. We also retrieve certificates from those instructors who are no longer on, or who have been removed from, the register of approved driving instructors, and we conduct 'blitz checks' on the certificates held by instructors in particular locations.

VOSA assists the DVLA in ensuring that only those who are qualified in terms of health, conduct and competence obtain and retain vocational entitlement to drive HGVs and PSVs. Drivers found not to be in possession of the correct licence entitlement are prosecuted.

HM Customs and Excise

We have an ongoing relationship with HM Customs and Excise (HM C&E) for the exchange of intelligence. HM C&E supports the coordinated ports checks that we lead. Additionally, we work with Northern Ireland's Driver Vehicle Testing Agency and Eire's Department for Public Enterprise. We will continue to work with these agencies and others on these checks.

Managing our business programme

Business Solutions Programme

This is a unique programme with our business partner, Atos Origin (formerly SchlumbergerSema), where partnership working includes shared accountability for risks and shared benefits on delivery of VOSA business targets. The method of working involves skills transfer from Atos specialists helping VOSA to bring a high level of project management expertise to our work.

A number of projects within BSP will be entering delivery stage this year, including targeted enforcement and mobile data access at the roadside (see page 18). The year will also see the continuation of work on longer-term projects, including Digitach.

Sharing intelligence

Government Agency Intelligence Network

As a member of the multi-agency Government Agency Intelligence Network (GAIN) (which includes the police, HM C&E, the Department for Work and Pensions, and the Local Authorities Coordinating Body on Trading Standards), we contribute to the aim to 'stimulate the lawful flow of information, expertise and best practice between all enforcement agencies and other sources'.

Police

We are seeking to establish a link with the Police National Computer database. This will provide us with data on drivers and operators which we can use when deciding whether it is in the public interest to prosecute. Police forces could also populate the database with information supplied

by us of indictable offences against drivers and operators. We hope to have this link in place in our three Prosecution and Legal Services offices at Bristol, Cambridge and Livingston early in the year, subject to agreement from the Police Information Technology Organisation.

The Environment Agency

The Environment Agency deals with cases of fly-tipping. Fly-tipping is the illegal dumping of waste. As some of this fly-tipping is done from lorries, VOSA will be exploring opportunities to share information and intelligence with the Environment Agency, which may assist them to improve their effectiveness in this area.

European partnerships

Euro-Contrôle-Route

The Euro-Contrôle-Route is a group of European enforcement agencies working together to find common working methods in the enforcement field. As a member of this group, we have contributed to establishing a series of joint mission statements and goals for the year. This year we will participate in a series of coordinated HGV and PSV checks throughout the eight Euro-Contrôle-Route countries (Spain, France, Germany, Eire, Belgium, Holland, Luxembourg and the UK).

Comité International de l'Inspection Technique Automobile (CITA)

We will continue our work as a representative on the seven CITA working groups to build closer ties to Europe. This year we have been invited to chair a working group and we will take a more active role within these groups; particularly on brakes, emissions and quality assurance, with a view to ensuring an effective and value for money approach to testing. Our presence on these working groups ensures that our views are represented and taken into account when work is undertaken that can result in recommendations for European directives.

Running a sound business

Business objective:

‘To run an efficient, effective, continually developing and valued business, equipping our staff to make the best use of available technology, skills and knowledge.’



Delivered through six main spheres of activity:

- Ensuring staff resources meet business needs
- Funding the plan and managing financial resources
- Delivering against our value for money plan
- Improving our business processes
- Modernising our estate and financial resources
- Effective evaluation of performance

Ensuring staff resources meet business needs

VOSA employs around 2,760 staff, some 2,100 (76%) of whom are front-line staff based at over 100 locations nationwide. Our Human Resources (HR) Strategy aims to capture the people elements of what VOSA is striving to achieve over the period 2003 to 2006.

Improving our recruitment services

VOSA's intention is to improve recruitment in the following ways:

- re-engineering and e-enabling processes;
- reviewing the recruitment policy;
- DVO collaboration on recruitment and workforce planning; and
- use of a Role Based Organisational Model (RBOM).

The RBOM will improve our efficiency by ensuring that we match our staffing levels to our operational requirements. We will also expand our use of IT applications to improve the speed and quality of our recruitment processes. The RBOM will enable us to carry out effective vacancy management to monitor both day-to-day turnover and staffing

needs related to forward planning. Our approach to vacancy management will also measure lead times for recruitment to vacancies.

The improvement of recruitment processes is therefore one of our main focuses for the year and this is reflected in the following Key Performance Indicator:

'To improve delivery of recruitment services across the business through re-engineering and e-enabling processes, reviewing recruitment policies, DVO collaboration and the implementation of a "Role Based Organisational Model" (RBOM), with a view to base-lining "vacancy management" information and introducing improvement targets in 2005/06.'

Making VOSA an employer of choice

We will work to enhance our appeal as an organisation and maximise our potential to hire the best quality people. During 2004/05, working with Jobcentre Plus, we will aim to recruit and retain 11 people through the **New Deal scheme** to enable us to meet our government-set target.

VOSA experiences difficulties in attracting candidates with the skills and qualifications required for some technical posts. As well as general skills shortages and supply and demand considerations in employment markets, our problem has been compounded by changes made to BTEC courses by colleges who have dropped modules that VOSA requires candidates to have studied.

To help tackle the problem, VOSA has established and operated successfully a **Vehicle Examiner Apprenticeship scheme** which takes recruits, some of whom have no technical background, through a programme of training to qualify as Vehicle

Examiners. We have recently completed a programme of recruitment and have appointed nine trainees to the scheme.

A further development will be the creation of a **Vehicle Tester Trainee scheme** to enable the recruitment of unqualified people with a technical aptitude, to be trained through an in-house course, to become testers. The scheme is being developed by VOSA's Training Services Unit, but the plan is to manage and administer the scheme locally in the business.

This year will also see the third annual intake of **graduate mechanical engineers** into our accredited training scheme. This is a four-year training scheme, run by VOSA, which leads to the qualification of chartered engineer. During 2004/05, the two graduates from the first year's intake will each take a post within VOSA or the Vehicle Certification Agency (VCA). This scheme allows us to bring fresh ideas and up-to-date technical academic experience into the organisation.

Widening the recruitment pool

As a result of UK employment market difficulties, we have run two overseas recruitment campaigns that have been successful in attracting a high quality of testing staff. To date we have employed 25 people as a result of these campaigns and this has helped to address some of our recruitment problems in the south east of England. During the year we will review these procedures to establish if they could become a permanent part of our recruitment strategy.

Collaboration with other DVO Agencies

We are also working within the DVO HR 'Workforce Planning' project to establish the potential for joint working on recruitment, policy reviews and vacancy advertising in order to realise efficiency and effectiveness benefits.

Harmonisation of pay and conditions

The merger to create VOSA brought together two organisations with different sizes, culture, pay structures and other conditions of employment.

As such, a considerable HR challenge has been posed, and work to integrate HR activities and, in particular, to harmonise pay and conditions of service are crucial to the success of the merger.

Work has been carried out to create a harmonised reward system to support the ongoing development of the new Agency, and negotiations with trade unions are in progress to harmonise travel and subsistence allowances and to create a harmonised staff handbook for the new Agency.

Investing in staff development

In 2003, VOSA gained re-accreditation as an Investor in People (IiP) against the revised IiP standard, and work to ensure that the standard is maintained across the business is ongoing. After the merger, the position of TAN was benchmarked against the IiP standard and an action plan has been agreed.

VOSA carries out a great deal of staff training activity, and a review of learning and development to ensure that the needs of the new Agency are met will be completed in 2004 with recommendations and an action plan for the future.

Licensing and compliance training needs

Following the completion of the training needs analysis of our Licensing and Compliance Units, an action plan has been produced setting out a programme of work for the next two to three years. The main themes are:

- the introduction of a management coaching programme for all licensing and compliance managers by the end of March 2005;
- a review and improvement of the induction programme for new staff; and
- the introduction of a mentoring system for all staff by the end of April 2004.

Valuing diversity

VOSA values the diversity of its workforce and seeks to promote equality of opportunity and good relations between people of different race, gender, disability, sexual orientation, religion and belief in our employment.

During 2004, we will carry out a Disability Discrimination Act workforce survey to ensure compliance with the Act, by making reasonable adjustments to reduce the effect of disability on the working lives of our staff.

We collected baseline data last year on the number of job applications received from people from ethnic minority groups with a view to setting an improvement target for 2004/05. A large proportion of VOSA's recruitment activity involves the appointment of technical staff at operational locations nationwide. This, combined with 2001 census data, which shows a majority of people from minority groups in parts of the UK, means a precise numeric improvement target would be difficult to set and, in turn, to achieve.

Our aim, therefore, broadly in keeping with the Cabinet Office approach, is to increase the number of applications from people in minority groups year on year and wherever it is possible to do so.

In addition, VOSA will effectively target areas of the UK where census data show that a sizeable proportion of the population are from ethnic minority groups and locations where there is under-representation from ethnic minority communities in the VOSA workforce.

New legislation concerning flexible working was introduced on 6 April 2003 for qualifying employees. In order to expand beyond our legal obligations, a project was commissioned to evaluate the benefits of implementing flexible working arrangements for all employees across VOSA. This project ran from January to April 2004 and a report with recommendations will be available for VOSA Directors thereafter.

Safeguarding our staff and customers

It is our policy to safeguard the health, safety and welfare of everyone who works at or visits our premises and other places of work, and who is likely to be affected by our operations. This can be at our testing stations, at public inquiries or at roadside checks and visits to operators' premises.

We will do all we reasonably can to make staff and customers aware of potential hazards, protect them from risks, provide them with personal protective equipment where appropriate, and ensure that our accommodation, equipment, facilities and working practices are safe and do not pose undue risk to health.

This year, we will reinforce our operational health and safety management arrangements by:

- comprehensively reviewing and re-validating all our model risk assessments;
- completing a noise exposure re-measurement project;
- improving training for managers to deal with employee stress at work; and
- strengthening our in-house local health and safety support to operational managers through training to a nationally recognised standard.

Funding our plan and managing financial resources

Major project investments, pressures of current efficiency reviews and uncertainty over funding form the main challenges in connection with financial resource management for this year.

Funding the plan

As a Trading Fund, most of our income (85%) comes from fees and charges for our activities.

Additional funding

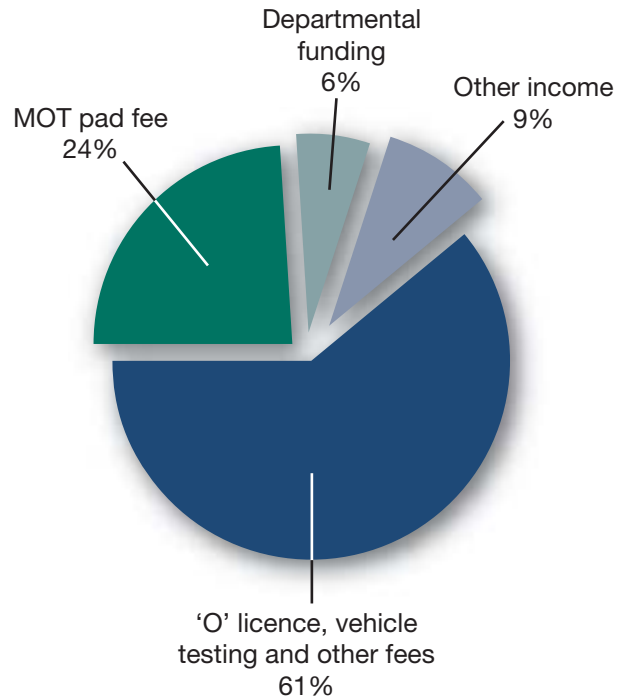
Apart from financial bids that are currently under consideration with DfT for longer-term (2005–2008) enforcement and investment programmes, we are also seeking elements of funding for the coming year that remain unconfirmed.

- Firstly, we are undertaking to maintain new initiatives on DfT-agreed enforcement activity which will require continual funding of approximately £12 million.
- Secondly, we have progressed our estates modernisation plan following receipt of an initial loan of £10 million from DfT last autumn but we are seeking to continue significant investment in our old estate and therefore require further funding through additional loans (£10 million) and proposed fee increases.
- Thirdly, in order to deliver full e-enablement activity and ICT for merger initiatives, a further bid of £13 million is required for this financial year.

In total, we run the risk of being potentially short of funding to the tune of £35 million. As and when funding arrangements and fee increases are settled, we will commence/adjust plans accordingly.

Forecast income

Forecast income: £140.7 million



Income is earned predominantly from operator licence and vehicle fees, statutory testing fees and the sale of MOT certificates. With the exception of MOT, we plan to increase fees in August 2004. These increases will contribute towards continuing to bring the accounts into balance, towards the repayment of the loan for further modernisation and refurbishment of our estates and equipment.

Our fee proposals this year include intentions to continue the realignment of HGV fees to more accurately reflect the time taken for each axle test (a four-axle vehicle takes almost twice the time of one with two axles). We also propose to extend this realignment to HGV and PSV retest fees.

Fee increases will be in consultation with the Trade and will follow on from themes and levels of increases discussed with them in presentations last year.

Managing financial resources

Trading account management

As a Trading Fund, the Agency's objective is to break even year on year on each scheme. Specifically, the costs incurred in undertaking all aspects of work involved with a particular scheme should be covered by the scheme's fee or payment. For example, the full cost incurred in the testing of PSVs should be matched by the total amount of income received from the fees charged for carrying out those tests.

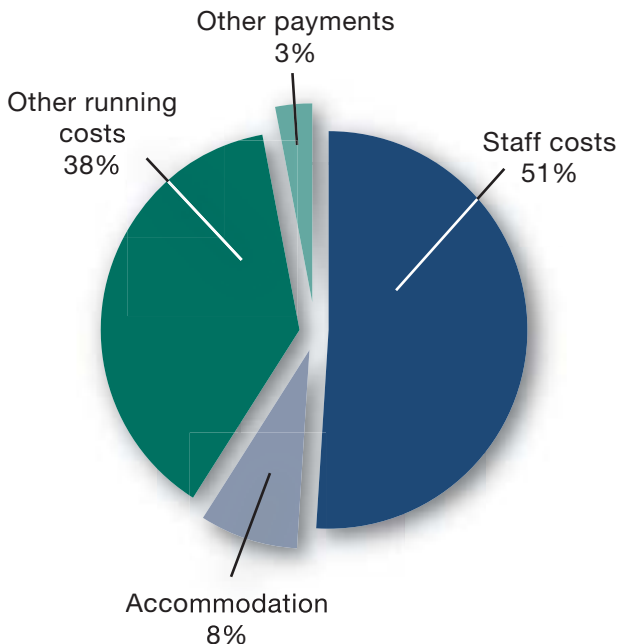
Return on Capital

Another Treasury target the Trading Fund must meet is 'Return on Capital'. This measures the return on average assets. Performance is monitored throughout the year through assessment of a forecast figure, and the final outturn forms part of our audited accounts. The in-year target is to earn a 3.5% Return on Capital.

Expenditure plans

Expenditure plans cover staff, accommodation and other running costs and payments, which include spend on IT service deliveries, interest and loan repayments.

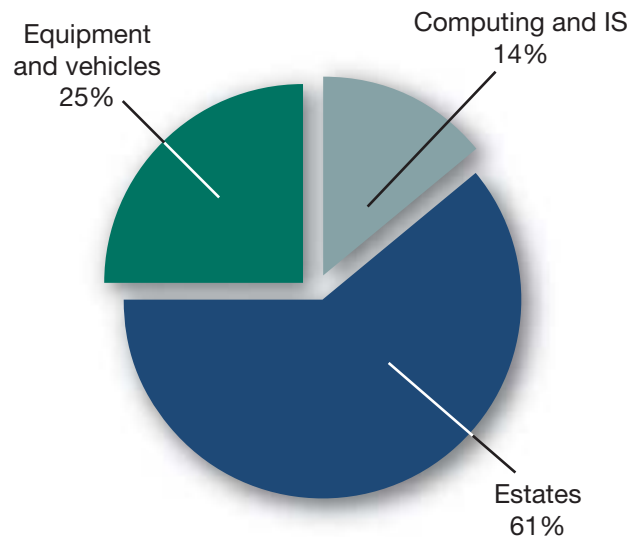
Expenditure plans: £145 million



Capital investment

This year's planned investment includes: continued investment in the estate; a continued programme of replacing equipment at both testing stations and the roadside; and further enhancements to IT systems.

Capital expenditure: £6.5 million



Cash

Expenditure planned for this year assumes the commencement of roll-out of MOT Computerisation during the year with associated payments to Siemens Business Services, our MOT service supplier. These payments will result in a reduction in the surpluses on the MOT account and subsequent cash reserves, delivering the financial picture incorporated within this plan.

Income and expenditure

The income and expenditure account overleaf shows a forecast in year deficit and the impact on our retained surplus.

Forecast income and expenditure account

	VOSA plan 2004/05
INCOME	£'000
Statutory fee income	83,069
MOT pad fee income	34,028
DfT/Agency enforcement income	10,026
Miscellaneous income	7,087
TOTAL INCOME RECEIVED	134,210
EXPENDITURE	
Operating costs	
Staff costs	73,041
Accommodation	10,879
Other running costs	45,246
Depreciation	8,812
Total operating expenditure	137,979
Operating surplus	(3,769)
Interest receivable	2,065
Net surplus on ordinary activities	(1,704)
Other payments	
Interest	2,628
Total other payments	2,628
Retained surplus/(deficit)	(4,332)
Retained surplus brought forward	17,224
Retained surplus carried forward	12,892

Delivering against our value for money plan

We now have an outline Agency value for money plan which builds on the DVO Group 15-step plan and aims to address the anticipated short-term requirements of the Gershon Review. Our plan will be driven by a range of measures resulting in cost savings, productivity improvement and effectiveness improvement. The plan is baselined on agreed 2002/03 costs of £117.5 million.

While the detail for our delivery plan for the coming year is still being worked on, areas it will cover include:

- savings from a review of overhead costs;
- efficiencies from licensing and testing activities measured through turnaround times and unit costs;
- efficiencies from project roll-outs including MOT Computerisation, operator self-service and merger reorganisation;
- improvement in sick absence rates through meeting our target to reduce from 8.6 to 6.9 days average per man per year; and
- effectiveness improvements in enforcement following roll-out of new initiatives (eg ANPR, WIMS, Powers to Stop).

In summary, our plan will allow delivery of our Secretary of State Key Target:

'To contribute to the DVO Group 5% "Value for Money" target by delivering against an agreed VOSA "Value for Money" plan, achieving 2.5% efficiency and 2.5% effectiveness measures.'

Improving our business processes

We are constantly seeking to improve our business processes. The Business Solutions Programme (BSP), see page 31, forms the basis of our plans for major business improvement, but drivers for improvement can come from many sources, such as customer feedback, our own analysis of our performance and benchmarking.

Business improvement activity includes looking at how we can rationalise our processes and improve productivity, including understanding average timings for regular activities, and consideration of different ways of doing things that might be more efficient and effective. Work is carried out at different levels throughout the business, from activity within BSP projects to corrective action and continuous improvement team activity within operational and headquarters functions.

Operator document scanning

Scanning technology for operator documents will be piloted this year. This technology will enable online document processing and will allow staff to access and process operator documents from any TAO. This is also the first step in providing casework data electronically to Traffic Commissioners.

Benchmarking

Apart from looking internally at how we can improve, we feel we should make more of being able to understand how well we are doing by assessing various activities, where possible with outside organisations. We will, therefore, put together a programme of benchmarking activities over the coming year so that these reviews can feed into work on performance measurement and delivery of value for money.

Business continuity planning

During the year we will work to coordinate the plans of individual units to produce a cohesive Agency-wide plan. We have had individual plans in place for a long time but the recent pace of change has necessitated a revision of these plans to ensure they are appropriate for the Agency. This will ensure that procedures are in place to maintain service delivery to our customers in the event of a problem, such as an electricity outage in a test station.

Modernising our estate and facilities

The Agency's estate covers six TAOs, 91 Goods Vehicle Testing Station (GVTS) sites and 23 enforcement area offices (most of which are co-located with GVTSs). Our headquarters is in Bristol with offices in Swansea, Cambridge, Edinburgh and London.

Our longer-term plans and strategies include major investment in our ageing estate and equipment. In total, over the next three to five years we believe we need to spend in the region of £50–60 million to improve our buildings and specialist equipment to ensure that we can provide good standards of testing and enforcement while meeting health and safety requirements.

Testing estate

Following the successful refurbishment of the Kidderminster testing station, and confirmation of significant additional funding, we will be continuing our programme of estate modernisation and improvements with a view to providing enhanced working conditions for staff and improved facilities for customers.

Planned work is likely to include the relocation of two testing stations and the major refurbishment of two smaller stations, with the intention to work up a detailed refurbishment programme for future years. These are the early stages of our estates investment programme, which is reflected in a Secretary of State Key Target for this year:

'To agree design templates for our estate modernisation programme and have completed 30% of phase one by 31 March 2005.'

As part of our estate modernisation strategy, we will be moving forward with plans to replace our roller brake testers and to refurbish our test halls, including a review of brake testing standards and efforts to minimise requirements for operators to bring vehicles in laden for tests. We are considering options on how we progress this work further but throughout our planning we will ensure careful consideration is given to potential disruption for customers once refurbishment starts.

Enforcement Network

We will continue to improve the Enforcement Network by using the experience gained from the completion of our site at Bredbury to examine how working processes could be improved at further sites.

Roadside enforcement

During the year we will introduce further fixed-roller brake testers for roadside enforcement purposes at three or four sites. We will use this equipment to increase our operational effectiveness by selecting sites along routes with high throughput so we can make the most efficient use of our resources.

Effective evaluation of performance

Having the right performance targets and measures, and systems for evaluating effectiveness of our performance, is almost as important as having the right plans in place. In the past 12 months, we have been formulating a new performance measurement strategy with a view to achieving

effective incentivisation and providing good evaluation from which to further develop the business and its performance. We have in place for this financial year revised Service Standards in respect of operational delivery, a more focused set of Key Targets, a new scorecard system and a pilot to explore enforcement goal-setting. Delivery of this work can be described as 'phase one' of improving performance measurement in the business. It has put in place a good foundation for more robust performance management.

Over the next 12 months, we need to take forward 'phase two' by implementing the new scorecard system, refining the reporting process and, most importantly, taking a further hard look at what measures we are using. Ideally, they should be measuring delivery of outcomes – or agreed surrogate outcome measures that accept, for example, that we cannot be held directly accountable for reductions in road deaths and casualties.

This 'phase two' work will not be aimed at delivering radical transformation of our measures but will be built on the good work done to date. It will include: better alignment across the business; clearer understanding of the relationship between our surrogate outcome measures and dependent enabling measures; and recognition that the measures are the best way of incentivising delivery of what our stakeholders and customers expect of us.

Improving the way we manage and measure our performance

Data quality

Delivery of accurate and timely data is a common theme across our group. The development of new ICT systems and services will help us to improve the quality of the data we collect, the information we can therefore draw from such data, and the accessibility of this information by our own staff, our customers and our partners.

Within our Business Solutions Programme, we have undertaken a number of projects to improve data

quality, information reports and knowledge management. Having assessed where potential problems are, we now have three project plans in hand to be delivered over the coming 12 months. Delivery of these are embodied in a Key Performance Indicator as follows:

'To improve the accuracy and quality of licensing, testing and enforcement data through the implementation of the specified data improvement plan.'

Auditing our processes

During 2004/05 we will conduct audits of 20% of our testing stations, enforcement offices and TAOs. We will also conduct 15 across-the-board systems audits.

We will also be acting on the outcomes of our strategic review of our audit function. The objectives of this review will be to assess the operations of the audit unit in relation to the merged organisation, the current requirements for risk management and the interfaces with DVO and DfT.

Embedding risk management across the business

VOSA's Corporate Governance process is now well established, building on the already existing management processes. As part of the embedding process, the policy and process documents and the detail of each corporate risk are available to all staff on VOSA's Intranet site. This site also contains a reporting form so that staff can continue to operate as the organisation's 'eyes and ears' in reporting risks and opportunities.

The embedding process for a risk-based management approach will continue with internal risk management seminars throughout the year and the incorporation of risk management awareness into induction training for all new staff.

Supporting tables

Linking DVO objectives to VOSA targets and activities

DVO corporate objectives	VOSA Secretary of State Key Targets	Activities
1. Deliver core services effectively	<ul style="list-style-type: none"> ● To improve licence application turnaround times by determining 85% of unopposed applications within 10 weeks from the date of receipt of the application. ● To improve HGV and PSV test availability by offering a test appointment on or within 18 days of the requested date, 95% of the time. ● To maintain or improve, through a year of significant change, levels of customer satisfaction using the Agency's MORI surveys as indicators of the levels achieved. 	<ul style="list-style-type: none"> – Licensing – Testing – Education – Enforcement – Training
2. E-enable customer-facing services	<ul style="list-style-type: none"> ● To have a robust MOT Computerisation system being rolled out nationally by March 2005. 	<ul style="list-style-type: none"> – Online bus registration
3. One Stop Service	<ul style="list-style-type: none"> ● As part of the DVO One Stop Service project, we will develop the commercial customer portal delivering VOSA website access to operator licensing self-service by May 2004 and an e-payment facility by 31 March 2005. We will also be on track to deliver self-service test bookings by April 2006. 	<ul style="list-style-type: none"> – Redesigned VOSA website – Single stop licensing transaction service – Credit/debit card payments – Operator self-service: 20% of vehicle change transactions online by June 2004 – Development of online test bookings – Merger of VOSA/IRFO
4. Help improve road safety	<ul style="list-style-type: none"> ● To contribute to the improved compliance of the lorry, bus and coach industries (operators and drivers) and of the MOT garage industry through effectively targeted compliance inspections, penalties and advice; achieving agreed Performance Gain measures. 	<ul style="list-style-type: none"> – Development of: <ul style="list-style-type: none"> ● targeting framework ● Operator Compliance Risk Score ● portable device for roadside checks ● further ANPR technology – Post-collisions investigations
5. Improve data accuracy		<ul style="list-style-type: none"> – Development of Data Improvement Plan – Operator access to licensing services

DVO corporate objectives	VOSA Secretary of State Key Targets	Activities
6. Help reduce driver and vehicle-related crime and anti-social behaviour		<ul style="list-style-type: none"> - Development of direct link with Interpol database - Vehicle Identity Check - Traffic enforcement - Drivers' hours education
7. Reduce harm to the environment		<ul style="list-style-type: none"> - Research on low emission diesel and petrol - Trial links with Highways Agency related to overloading of vehicles - Support to TCs in positioning of GVTSS
8. Deliver more efficient services	<ul style="list-style-type: none"> ● To contribute to the DVO Group 5% 'Value for Money' target by delivering against an agreed VOSA 'Value for Money' plan, achieving 2.5% efficiency and 2.5% effectiveness measures. ● To agree design templates for our estate modernisation programme and have completed 30% of phase one by 31 March 2005. 	<ul style="list-style-type: none"> - Review of overheads - Improve sick absence rates - Front-line productivity - Central handling of licensing calls - Effectiveness improvements - Project roll-out efficiencies
9. Develop our staff to meet the new challenges		<ul style="list-style-type: none"> - Vehicle Tester Trainee scheme - Apprenticeship scheme - Investors in People - Diversity policy - MOT Computerisation training - Post-collision investigation training - Project management training
10. Develop joined-up support services		<ul style="list-style-type: none"> - Memorandum of Understanding with Highways Agency - DVO Estates Strategy - DVO Human Resources Strategy

Licensing volumes

HGV		Actual 2002/03	Forecast 2003/04	Planned 2004/05
Operator licences in issue				
	Restricted	50,000	49,500	50,000
	Standard National	42,000	41,000	40,000
	Standard International	13,000	12,500	13,000
	Total operator licences in issue	105,000	103,000	103,000
Vehicles on licence				
	Restricted	107,000	106,000	107,000
	Standard National	202,000	204,000	204,000
	Standard International	101,000	100,000	100,000
	Total vehicles on licence	410,000	410,000	411,000
	New licence applications	10,500	10,600	10,600
	Variations to licence	10,000	9,300	9,300
	Continuations	16,000	16,000	16,500
PSV		Actual 2002/03	Forecast 2003/04	Planned 2004/05
Operator licences in issue				
	Restricted	2,100	2,600	2,500
	Standard National	2,650	3,000	3,000
	Standard International	2,550	2,600	2,600
	Total operator licences in issue	7,300	8,200	8,100
Bus permits issued				
	Small bus	4,800	4,900	4,900
	Large bus	100	100	100
	Community bus	12	12	12
	Total bus permits issued	4,912	5,012	5,012
	New licence applications	1,120	1,200	1,100
	Variations to licence	1,230	1,250	1,250
	Continuations	1,300	1,250	1,200
Bus registrations				
	Live	23,400	24,000	24,000
	New	4,300	5,000	4,500
	Variations	10,200	10,000	10,000
	Cancellations	3,400	3,000	3,200

Testing volumes

		Actual 2002/03	Forecast 2003/04	Planned 2004/05
HGV	Motor Vehicles			
	Annual tests	466,000	462,000	465,000
	Re-tests	152,000	159,000	155,000
	Trailers			
	Annual tests	241,000	245,000	245,000
	Re-tests	64,000	60,000	60,000
		923,000	926,000	925,000
PSV	Annual tests	80,000	83,000	80,000
	Re-tests	15,000	11,000	14,000
		95,000	94,000	94,000
LGV	Class IV	2,000	2,500	2,500
	Class V	9,700	9,200	9,500
	Class VII	1,300	2,000	1,500
		13,000	13,700	13,500
SVA	SVA	31,200	33,200	10,000
	ESVA	8,400	9,200	22,500
	MSVA	N/A	6,900	12,000
	Re-rests	7,400	8,300	8,000
VIC	N/A	30,000	45,000	
ADR	1,568	1,500	2,500	
TIR	436	500	500	
COIF	8,771	8,000	8,000	
TEMPO	565	500	500	
Issue of MOT certificates (million)		24.0	24.2	24.5

VOSA Service Standards

Licensing:

- **Goods and PSV licence applications – unopposed and which do not require a public inquiry:** 85% of applications will have a decision issued within 10 weeks of the date of receipt of the application and the required fee in the TAO.
- **Goods and PSV licence applications – opposed or which require a public inquiry:** 85% of licence applications that attract opposition or which require to be determined at public inquiry will have a decision issued within 20 weeks of the date of receipt of the application and the required fee in the TAO.
- **Goods and PSV licence major variation applications – opposed or which require a public inquiry:** 85% of applications for a major change to a goods or PSV operator's licence will be determined within 20 weeks of the date of receipt of the application and the required fee in the TAO.
- **Goods and PSV licence continuations:** 95% of operators who apply to continue their operator's licence will be sent their licence documentation and vehicle discs within five working days of the correct fee required to continue the licence being received in the TAO.
- **Bus registrations:** 95% of complete applications to register, vary or cancel local bus service registrations will be determined within five working days of receipt of the application and any required fee being received in the TAO.

Testing staff will aim to:

- (at all our full-time test stations) offer an appointment for 95% of annual tests within 18 working days of the date of receipt;
- complete 90% of all tests within 90 minutes of their appointment time. This will not apply if a vehicle is late for its test appointment;
- conduct prohibition clearances within three days of a requested date;
- provide all drivers with the relevant documentation at the end of the test (eg roller-brake test printout, smoke meter printout, written details of failure items) and offer an explanation of what all the information contained within the documentation means; and
- conduct tests to our published standards.

Enforcement staff will aim to:

- apply enforcement standards correctly and fairly;
- avoid delaying vehicles by more than one hour at road checks;
- keep delays at road checks to buses and coaches carrying passengers to a minimum by beginning inspections within 15 minutes and releasing vehicles within 30 minutes of being stopped. Note: where prohibitions of further movement of any vehicles are issued or drivers are cautioned for offences, longer delays may be necessary but these will be kept to a minimum;
- remove prohibitions immediately if the cause has been put right whilst a VOSA Examiner is still on site, providing the VOSA Examiner has no reason to think the vehicle is unfit for service;
- carry out all overloading prohibition clearance examinations within 24 hours of the request being received;
- give the driver a copy of any prohibition issued to them or their vehicle and explain what it means. A copy of any prohibition will be sent to the vehicle operator within five working days;
- issue an exemption to a prohibition (where appropriate) to allow the limited safe use of the vehicle subject to specified conditions; and
- advise as soon as possible following any investigation whether any further action will be taken, and, if so, what that action is likely to be.

Staff supervising the MOT testing scheme will:

- apply enforcement standards correctly and fairly, and they will provide timely and reliable advice whenever it is sought;
- notify appointments to visit proposed testing premises within 15 working days of receipt of a fully completed and correct application;
- provide a nominated tester training course or assessment exam within 20 working days of receipt of a correctly completed application form;
- issue pads of MOT test certificates within one working day of receipt of a request and frequently by return; and
- determine 95% of appeals within five weeks of receipt of full written representations by the due date against the withdrawal of an authorised examiner, nominated tester, designated council or designated council inspector status and against intentions to refuse applications for the above.

Current view of plans beyond 2004/05

Development of business strategy

In the coming 12 months we will be reviewing our longer-term (10 year) plan and developing our future medium-term (3–5 year) plan, ensuring they fit with governmental and departmental direction and our group Corporate Plan. We will be pulling together these longer- and medium-term plans and the various supporting strategies which are evolving across the business into one framework of the business strategy.

The strategic approach for VOSA's business will continue to be the evaluation and reduction of the potential risk of unsafe vehicles on the road and the unacceptable behaviour in the respect of vehicle use. Our three group themes of better compliance, better services to customers and better value for money will continue to be the drivers for our forward plans.

Deliverables for coming years

Work to date in understanding our customers and investing in the business has provided a sound platform for future delivery. The achievements so far have included delivery of continued efficiency in front-line services, the introduction of new enforcement initiatives and equipment, the development of new ICT systems including TAN business systems, our Business Solutions Programme, and MOT Computerisation. The main deliverables in the coming three years plus are detailed in the diagram opposite.

A framework for the future

DVO Group strategic themes provide a framework for the development of our future plans. Some of the goals we seek to achieve through our future plans are identified below under the current three group themes:

Better compliance

- Effective delivery of licensing, testing and training services, including appropriate self-service
- Improved effectiveness and increased targeting of our enforcement activities
- Better research and evidence-based policy development
- Improved data quality and shared knowledge
- More effective partnership working

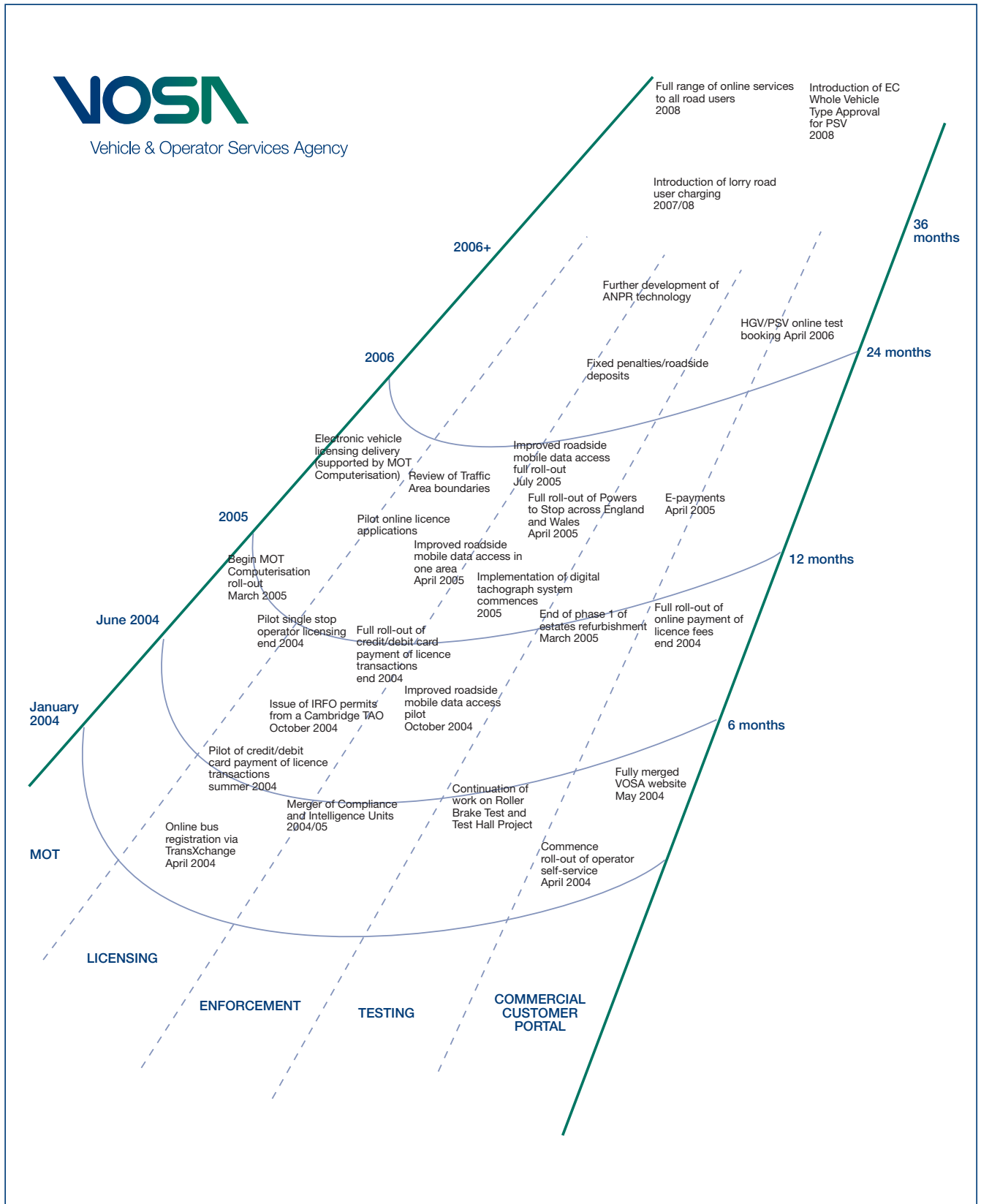
Better services to customers

- One Stop Services
- E-enabled systems
- Improved customer satisfaction

Better value for money

- Increased efficiency
- Modernised estate and equipment
- Developed systems, processes and skills
- Application of best practice
- Self-funding investment

Delivery route map



Glossary

ADR	International arrangement for the carriage of dangerous goods	MORI	Market and Opinion Research International
AE	Authorised Examiner – individual, person in partnership or company meeting the requirements (premises, equipment, personnel and good repute) to carry out MOT testing	MOT	Annual statutory test for cars and motorcycles
ANPR	Automatic Number Plate Recognition	MSVA	Motorcycle Single Vehicle Approval scheme
BSP	Business Solutions Programme	NT	Nominated Tester – qualified mechanic who has been nominated by an AE to carry out MOT tests
BTEC	Business and Technology Education Council	OBD	On-board diagnostics
CCP	Commercial Customer Programme	OGC	Office of Government Commerce
CITA	Comité International de l'Inspection Technique Automobile – International Motor Vehicle Inspection Committee	OSS	One Stop Service
COIF	Certification of Initial Fitness	PNC	Police National Computer
CPC	Certificate of Professional Competence	PSV	Public Service Vehicle – vehicle licensed to carry (normally nine or more) fare-paying passengers
DDA	Disability Discrimination Act	SVA	Single Vehicle Approval scheme
DELSY	Diagnosis of Electronic Systems	TAN	Traffic Area Network
DfT	Department for Transport	TAO	Traffic Area Office
DSA	Driving Standards Agency	TCs	Traffic Commissioners – seven TCs are appointed by the Secretary of State for Transport and are statutorily independent in their licensing functions
DVLA	Driver and Vehicle Licensing Agency	TE	Traffic Examiner – VOSA employee responsible for front-line enforcement of safety and licensing provisions on HGVs and PSVs
DVO	Driver, Vehicle and Operator Group	TIR	International arrangement for the carriage of goods sealed for customs purposes
EU	European Union	UN	United Nations
ESVA	Enhanced Single Vehicle Approval scheme	VCA	Vehicle Certification Agency
GAIN	Government Agency Intelligence Network	VE	Vehicle Examiner – VOSA employee responsible for front-line enforcement of roadworthiness of HGVs and PSVs and standards control of MOT testing stations
GVTS	Goods Vehicle Testing Station	VI	Vehicle Inspectorate
HA	Highways Agency	VIC	Vehicle Identity Check
HGV	Heavy Goods Vehicle – goods carrying vehicle over 3,500 kg design gross weight	WIMS	Weigh In Motion Sensor
ICT	Information communications technology		
IRFO	International Road Freight Office		
LGV	Light Goods Vehicle – goods carrying vehicle not exceeding 3,500 kg design gross weight		

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