



Changing the way we deliver

Business Plan 2006/07

Changing the way we deliver...

... a new vision:

By 2008 VOSA will be
DVO's on-road vehicle and operator
standards and enforcement specialist
delivering value for money services,
targeting the non-compliant,
championing
safe, clean and economic
road transport.

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DVO Director General's Foreword



Welcome to the 2006/07 Business Plan for the Vehicle and Operator Services Agency (VOSA), part of the Department for Transport's (DfT's) Driver, Vehicle and Operator (DVO) Group.

Since the Group was established in 2003, the focus has been on developing modernised, joined-up services. We have made good progress with a wide range of services now available online through Directgov.

2006/07 is the year when customers will really see the difference, as online vehicle tax renewal and driving licence applications become a reality for millions; and as our business customers access a wider range of online services, increasingly through Transport Office.

Looking ahead, we will continue to focus heavily on improving customer service, value for money and compliance. But we plan to link these goals more explicitly with broader Government objectives, including road safety, journey time reliability, the environment and reducing unnecessary regulatory burdens. These themes are reflected in this plan.

Our 2010 vision for the DVO Group is to be:

- a leader in modern and efficient public service;
- working with partners to provide excellent services to road users; and
- promoting safety and security, journey reliability and a better, cleaner environment.

Delivering this will not be done by DVO and its agencies alone. We need to work closely with our partners, including other parts of DfT and central government, the Highways Agency, local authorities, the police and a wide range of industry and business bodies. Working together to deliver better services for the road users of the UK lies at the heart of our agenda.

A handwritten signature in black ink that reads "Stephen Hickey". The signature is written in a cursive style and is positioned above a horizontal line that serves as a separator.

Stephen Hickey

Chief Executive's Introduction



Successful completion of a range of initiatives over the last 12 months, and more to come in the next 12 months, means we will be making significant changes to the way we deliver VOSA's services and enforcement activities. These changes will improve our effectiveness – in turn driving up the standards of vehicles, and their use, on our roads.

The introduction of 'Power to Stop', and the ability to access real-time intelligence at the roadside through camera, weighing and mobile technology will all play a part in our enforcement activity

becoming increasingly targeted on the non-compliant vehicles, drivers and operators. A particular project this year will be a joint operation with the Highways Agency where VOSA will target 'at-risk' vehicles on the strategic road network, helping to achieve improved journey reliability on these roads. Successful roll-out of MOT Computerisation is providing easily accessible information, which means better regulation of the MOT service to the public, including the ability to re-license your vehicle online.

Online services development will continue this year, building on our award-winning Operator Self-Service and the new commercial portal: www.transportoffice.gov.uk. MORI polls reveal an increasing customer requirement to transact with us electronically – not just VOSA but also other agencies and government departments. We will be delivering more of these services with other government agencies, using the portal, throughout the coming year.

Changing the way we deliver has an obvious impact on our staff. Recognising the need to become more customer-centric, to exploit intelligence, to be more targeted in our enforcement, to deliver through e-channels, and of course to become more efficient, means changes throughout the organisation – from the Board to the front line. Change will bring its own issues but will also bring many opportunities. I look forward to delivering our exciting and challenging agenda, with staff, partners and customers, as explained in the following pages.

Stephen Tetlow

...driving up the standards of vehicles, and their use, on our roads

Highlights of this year's plan

- ...new industry-facing Director roles from 1 April
- ...roll-out of new equipment to enable real-time intelligence at roadside checks
- ...targeted enforcement, including vehicles 'at risk' of causing congestion – in partnership with the Highways Agency
- ...delivery of online services through the portal www.transportoffice.gov.uk
- ...improved car MOT standards, benefiting the private motorist and garage industry
- ...£10m investment to continue modernisation of our specialist estate
- ...delivery of £7m efficiencies to enable investment in front-line staffing

Contributing to Government goals

- Improved road safety
 - Improved journey time reliability
 - Protected environmental standards
 - Reduced vehicle crime
 - Transformed public services

Secretary of State Key Targets 2006/07

Prioritisation of our work for 2006/07 is reflected within the Secretary of State Key Targets and measures, as detailed below, and throughout the Plan. These are agreed with the Minister and are a primary measure of our performance, monitored throughout the year.

KEY TARGETS



To maintain or improve customer satisfaction at 2005/06 levels

To improve the consistency of VOSA's vehicle testing service across the country

To contribute to improved road safety by reducing the administrative burden of commercial operation and increasingly targeting enforcement on non-compliant vehicles and drivers

To contribute to making journeys more reliable on the strategic road network, improving road safety and minimising congestion, by working in partnership with the Highways Agency and targeting 'at-risk' vehicles

To deliver VOSA's value for money plan

To increase the take-up of electronic services available to customers

KEY MEASURES



- Operators \geq 80%
 - Drivers, fitters and presenters \geq 93%
 - MOT \geq 92%
 - By 31 March 2007, reduce the variation in initial test fail rates by one-third from the 2005/06 national average for heavy goods vehicles, trailers and public service vehicles, while maintaining quality test standards
 - Agreed plan for licensing reform implemented within 12 months of the decision to proceed
 - On track to implement operational Graduated Fixed Penalties and Deposits system within 12 months of receiving Royal Assent
 - Improved targeting of enforcement action at the roadside, delivered by:
 - reducing the percentage of vehicles detained at the roadside that have not contravened driver and vehicle regulations from a 2004/05 baseline of 77.1% to below 70% in 2006/07; and
 - increasing effective targeting of serious offences, measured by the average of quality prohibition points per roadside check from a 2004/05 baseline of 15.2 to above 18 in 2006/07
 - To identify* and take action** on goods vehicles 'at risk', initially through a pilot scheme in the south east of England
- *Identified through Highways Agency and VOSA research
 **Targeted operations will cover a range of activity both preventative and punitive.
- Delivered efficiency and effectiveness savings in 2006/07 equivalent to 5% (£7m) in year
 - By 31 March 2007, to have increased monthly take-up of existing and newly delivered electronic services to 30%

Targets are supported by technical notes.

We also measure our front-line activity through service standards, as detailed on page 36.

Contributing to Government goals

Key Government goals provide the setting for our work in VOSA. Each of these goals has a Public Service Agreement (PSA) target, measuring delivery of the Department's 10-year transport plan and contributing to the Government's sustainable development agenda.

Contributing to improved road safety...

Department for
Transport

Road safety –
40% fewer killed or
seriously injured (KSI)

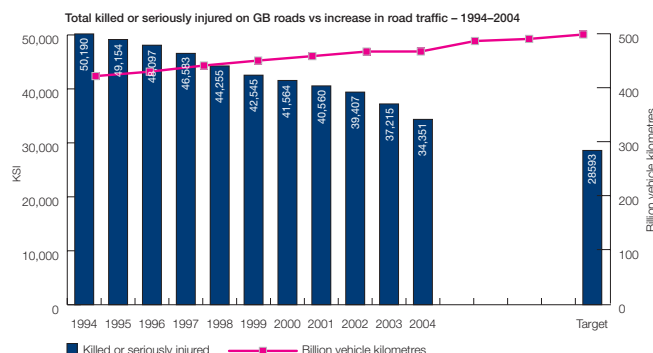
Reduce the number of adults killed or seriously injured in road accidents by 40% and the number of children killed or seriously injured by 50% by 2010 compared with the average for 1994–98, tackling the significantly higher incidence in disadvantaged communities.

Trends over the last 10 years have seen the total number of road deaths and serious injuries decreasing. By 2005, the total number KSI in road accidents has fallen by 13,305 to 34,351 since the 1994–98 baseline period – reflecting 16% fewer adults and 31% fewer children KSI.

Over the same period, road traffic volumes have risen 15% or 77.1 billion vehicle kilometres, from 421 to 498 billion vehicle kilometres, of which 5.2 billion are from commercial traffic.

VOSA has at the heart of its operations improved road safety. Over the years we have done much to support safer vehicles on the road, including: annual testing of vehicles; providing advice on good maintenance regimes; improved targeting of drivers' hours and other serious offences; and delivery of a variety of sanctions, for example immediate prohibitions of dangerous vehicles.

Annual random surveys provide a good benchmark of the level of compliance of operators with safety standards and, since 2000, the rate of prohibitions has remained steady at 11%. To continue to improve road safety the industry, supported by VOSA, needs to bring this rate down. Over the next two years, our plan is to work with those who want to remain compliant, supporting them with information, better regulation and improved services while we shift the burden of regulation onto those who choose not to be compliant.



Newly developed technology to be rolled out this year will improve the effectiveness of our enforcement activity by enabling us to target the non-compliant more easily. Automatic Number Plate readers linked to Weigh in Motion Sensors (WIMS) and a database of high-risk operators will highlight to examiners at the roadside which vehicles they should stop. A new intelligence organisation and more effective penalties will ensure that those who fail to comply are penalised and robust evidence is presented to the Traffic Commissioners and the courts.

While pressure on the non-compliant will continue, the numbers of compliant vehicles detained at the roadside will be reduced again – in 2005/06, the rate of compliant vehicles stopped at our targeted checks fell from 77% to 74%.

Improve reliability – on the slowest 10% of journeys

Improve in aggregate the slowest 10% of journeys for each of 103 routes, for each day of the week (Monday to Friday), for each time of day (6am–8pm), measured in 15-minute intervals, between the baseline period of August 2004 to July 2005 and the target period of April 2007 to March 2008.

Average vehicle delay in minutes per 10 vehicle miles

Network length (miles)	All time periods (baseline)	Weekdays			All periods 6am–8pm	Weekends All periods (6am–8pm)
		AM peak 7–10am	Off peak 10am–4pm	PM peak 4–7pm		
7,144	3.5	4.6	3.5	4.6	3.9	2.2

The worst 10% of journeys accounted for 31% of all delays experienced on the strategic road network; 85% of these delays occur during weekdays with 46% occurring in the weekday peaks.

In the baseline period, the average delay associated with the worst 10% of journeys was 3.5 minutes per 10 vehicle miles travelled.

The growth in travel has corresponded with an increase in congestion. This is due to a range of factors including capacity constraints in road networks, driving patterns and accidents.

Over the past five years, we have established our post-collision examination service; information from these incidents contributes to research, which is helping us to understand why accidents happen.

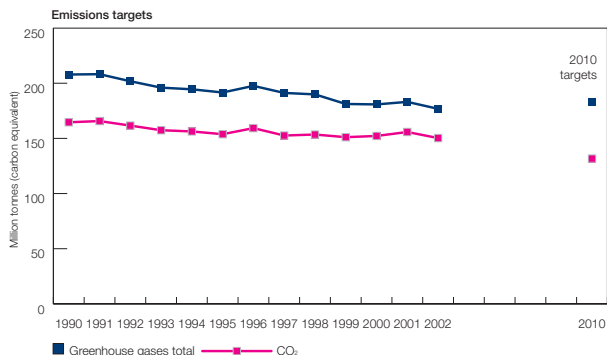
This coming year, we will work with the Highways Agency to pilot a scheme in the South East targeting vehicles at a higher risk of causing accidents and incidents that lead to congestion.

Contributing to protected environmental standards...



Environment – 20% reduction in CO₂

To reduce greenhouse gas emissions to 12.5% below 1990 levels in line with our Kyoto commitment and move towards a 20% reduction in CO₂ emissions below 1990 levels by 2010.



Estimates suggest that the UK will meet and do better than the Kyoto target to reduce greenhouse gas emissions by 12.5% by 2010.

CO₂ emissions are currently 4.2% below baseline levels and the forecast for 2010 is 14%, which is short of the 20% target.*

*A review of the Climate Change Programme (CCPR) is currently under way. The initial findings suggest that the UK needs to do more towards achieving a 20% reduction in CO₂ by 2010. The CCPR is considering new policies and measures to reduce emissions further and will be published in early 2006.

VOSA's work to protect the environment has, in the past, been delivered through annual and roadside emissions testing – some spot checking is now conducted by local authority staff. We have also undertaken research and development into low emission-engined vehicles and have introduced an improved diesel pollutant detection test.

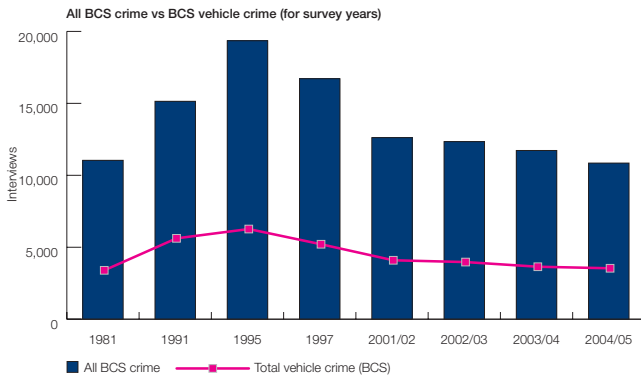
This year, we will begin working with Transport for London (TfL) to help improve air quality through an initiative called the London Low Emission Zone (LEZ). VOSA has a key role to play in inspections and the issue of reduced pollution certificates to vehicles entering the zone and to provide information for the LEZ registration system.

Contributing to reduced vehicle crime...



Crime – reduced by 15%

Reduce all crime by 15%, and further in high-crime areas, by 2007/08.



The risk of becoming a victim of crime has fallen from 40% in 1995 to 24% in 2004/05 (British Crime Survey (BCS) July 2005).

Vehicle thefts have declined, falling by 11% according to the 2004/05 BCS interviews and by 17% according to recorded crime figures for 2004/05 compared with 2003/04.

Since April 2003, VOSA has operated the Vehicle Identity Check (VIC) scheme, which has successfully closed the channels for illegal and potentially dangerous vehicles being returned into the market place following a write-off.

As new technology comes on stream and we roll out our strengthened national intelligence and investigation capabilities, we will be able to identify and target crime more effectively. Next year, we will start combining the evidence provided by MOT Computerisation with local intelligence to better target investigations into fraudulent testing activities. Using the Government Agency Intelligence Network (GAIN), this evidence will also be shared with other enforcement agencies to tackle crime more effectively.

Contributing to transformed public services...



Transforming public services

Citizen and business-centred shared services professionally delivered.

As with much of government, VOSA has been modernising existing processes with new, more effective methods to deliver services. The Operator Self-Service system now handles 58% of operator vehicle transactions. At the beginning of 2006/07, we registered our 15 millionth computerised MOT test and, during this year, expect to conduct in the region of 24m tests using the new system. So far, this system has enabled 156,452 customers to re-license their vehicles through Electronic Vehicle Licensing (EVL), a major initiative under Directgov. Using new technology, we can improve service delivery and provide new channels designed around the needs of the customer.

In 2006/07, these services will be supplemented by an online booking service for lorry, bus and coach tests available through the Commercial Customer Portal.



Better regulation

By April 2008, ensure departments deliver better regulation and tackle bureaucracy in both the public and private sectors.

Across government, work is in hand to agree baselines and, during the coming year, set targets for reducing the burden that regulation imposes. In VOSA, we will deliver better regulation in a number of ways including: delivery of more efficient and easily accessible e-services; enforcement checks increasingly targeted on the non-compliant; and improved 'O'-licence processes.

VOSA contributes to Government delivery as part of the DVO Group

As a group, we are working together to provide joined-up and value for money services to meet the needs of our customers, while at the same time fulfilling our regulatory roles focused on keeping drivers and vehicles safe and secure.

The Group has identified seven outcomes through which it will achieve its vision:

By 2010:

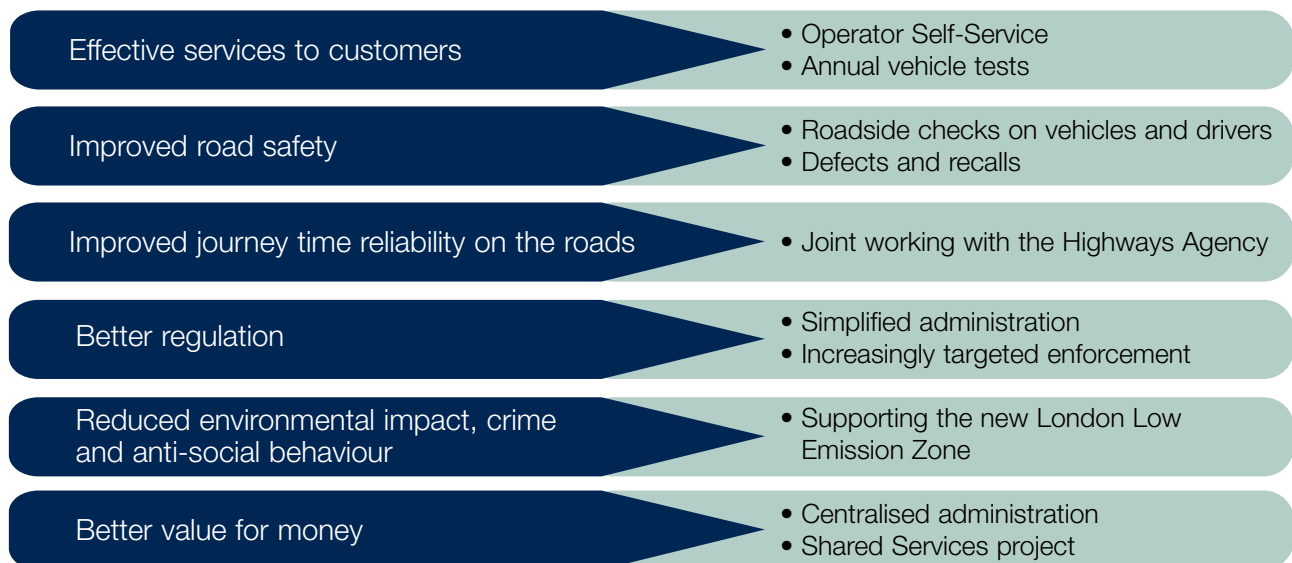
a leader in modern and efficient public service; working with partners to deliver excellent services to road users; promoting safety and security, journey reliability, and a better, cleaner environment.

VOSA contributes to six of the outcomes through a number of products and services. These are some examples:



DVO outcomes

...VOSA activity contributing



The DVO Group Plan, which can be obtained from www.dft.gov.uk, sets out in more detail the purpose and structure of the Group and explains the strategic direction to 2010. It also shows how VOSA's Key Targets and measures fit within DVO's overarching themes and strategic outcomes.

VOSA strategy supports DVO outcomes while providing more specific direction for the agency to enable delivery of our vision. The current strategic map is illustrated in Future view on page 37. It provides a way forward that builds on solid foundations of past work and enables VOSA to make a step change in the effectiveness of our contribution to Government goals. Over the coming months, refinement of the strategy will focus on a more defined view of VOSA in the future; improved alignment of performance indicators (from departmental goals to activity performance measures); and a solid input into the forthcoming Comprehensive Spending Review (CSR) 2007.

Our contribution to Government goals will be more effective by...

...working closely with our customers in the road transport business

Customer focus has always been key in our Plan, but this year we are aiming to be more customer-centric in our role of driving up the standards of vehicles and their use on our roads. Examples of how we will be delivering differently this year:



HGV and PSV operators:

- Better Regulation initiative
- Targeted enforcement programme
- Centralised operator licensing
- Testing consistency
- Delivery of TransXchange
- Electronic test bookings



Manufacturers:

- ISO accreditation

MOT garages:

- Better MOT monitoring
- Reduced manual administration
- Simplified re-test procedure



General public:

- Work on tired drivers
- Low emission research
- London Low Emission Zone
- Electronic vehicle licensing



Vocational drivers:

- Work on the introduction of Driver Certificate of Professional Competence (CPC) qualification

...delivery of a range of initiatives jointly with the DVO Group and our partners

VOSA works with the following partners to deliver Government goals more effectively:



Others in government:

- Pilot projects with the Highways Agency
- www.transportoffice.gov.uk



Traffic Commissioners:

- Improved provision of cases to Traffic Commissioners from new Regional Intelligence Unit

Trade bodies:

- Progression of Service Level Agreement
- Extension of Account Manager trial
- Simplification of operator licensing administration



ICT partners:

- MOT benefits realisation programme
- e-bookings



Transport Research Laboratory:

- Development of enforcement capability of General Product Safety Regulations 2005
- ISO accreditation

Driving up the standards of commercial vehicles...



**Changing the way we deliver...
...new industry-facing
Director roles from
1 April 2006**

2006/07 will see the introduction of an improved, customer-centric approach in VOSA with a refocus of Directors' responsibilities into roles specifically and separately covering the lorry and bus/coach commercial industries.

Responsible for understanding fully their respective industries (for example customer segmentation, industry-specific pressures, behaviours affecting non-compliance), these Directors and their teams will have key roles in determining the priorities for VOSA service and programme delivery together with influencing departmental policy development.



'Working closely with road haulage operators and associations to improve services and raise standards is an exciting challenge and one which I know they are keen to share.'

Hugh Edwards, Director, Goods Vehicles

Haulage traffic is growing, in particular the proportion of international transport. We will be collaborating with industry and policy makers to improve compliance with safety legislation.

HGV INDUSTRY

- Around 103,000 HGV licences in issue
- 1,744 million tonnes of goods moved in 2004
- Average fleet size is four vehicles
- Over 22 billion vehicle miles travelled



'The bus and coach industries are an important contributor to the Government's objectives of reducing congestion, but encouraging passengers back onto public transport depends on operators providing safe, secure and reliable services.'

Tony Downes, Director, Passenger Vehicles

VOSA has a key role to play in supporting the PSV industry, providing advice on benchmark best practice, performance data and education/training services while targeting operators competing unfairly and running badly maintained vehicles and/or unsafe/unreliable services.

PSV INDUSTRY

- Around 100,000 licensed PSVs
- 2,237 operators only have one vehicle
- Over 24,000 registered bus services
- Over 5,200 million vehicle miles travelled

Better regulation will be a main driver for these Directors in developing what VOSA does and how we deliver. The Government's Better Regulation initiative recognises that regulators have a duty to take account of the costs that they impose on those being regulated and to find innovative ways to achieve their regulatory objectives while minimising those costs and maintaining legal safety standards. We can deliver better regulation in a number of ways, from reducing administrative paperwork to targeting enforcement on the non-compliant (so reducing the burden on the compliant).



KEY TARGET: To

contribute to improved road safety by reducing the administrative burden of commercial operation and increasingly targeting enforcement on non-compliant vehicles and drivers

Measures supporting delivery of this Key Target are detailed in the following paragraphs.

Changing the way we deliver...

*...roll-out of
new equipment
in 2006 to enable
real-time intelligence
at roadside checks*

Delivery of increasingly targeted enforcement, increased post-collision examinations work, work towards environmental and congestion objectives, and activities to transform our services are the main areas for enabling improved standards of commercial vehicle operations in the coming year.

Increasingly targeted enforcement

We have recently set up an Intelligence and Targeting Directorate to improve our ability to target persistently non-compliant operators and garages. The new structure will consist of Regional Intelligence Officers, a central Strategic Analysis Unit and three regional teams of highly trained investigators. The Directorate will promote targeted, risk-based enforcement, working within the National Intelligence Model, and in future the dedicated investigation teams will undertake large or serious cases that require specific skills and full-time resource.



'New technologies and the ability to exploit data on operator behaviour offer the new Directorate unprecedented opportunities to direct our enforcement efforts just where they are needed.'

Janice James, Director, Intelligence and Targeting

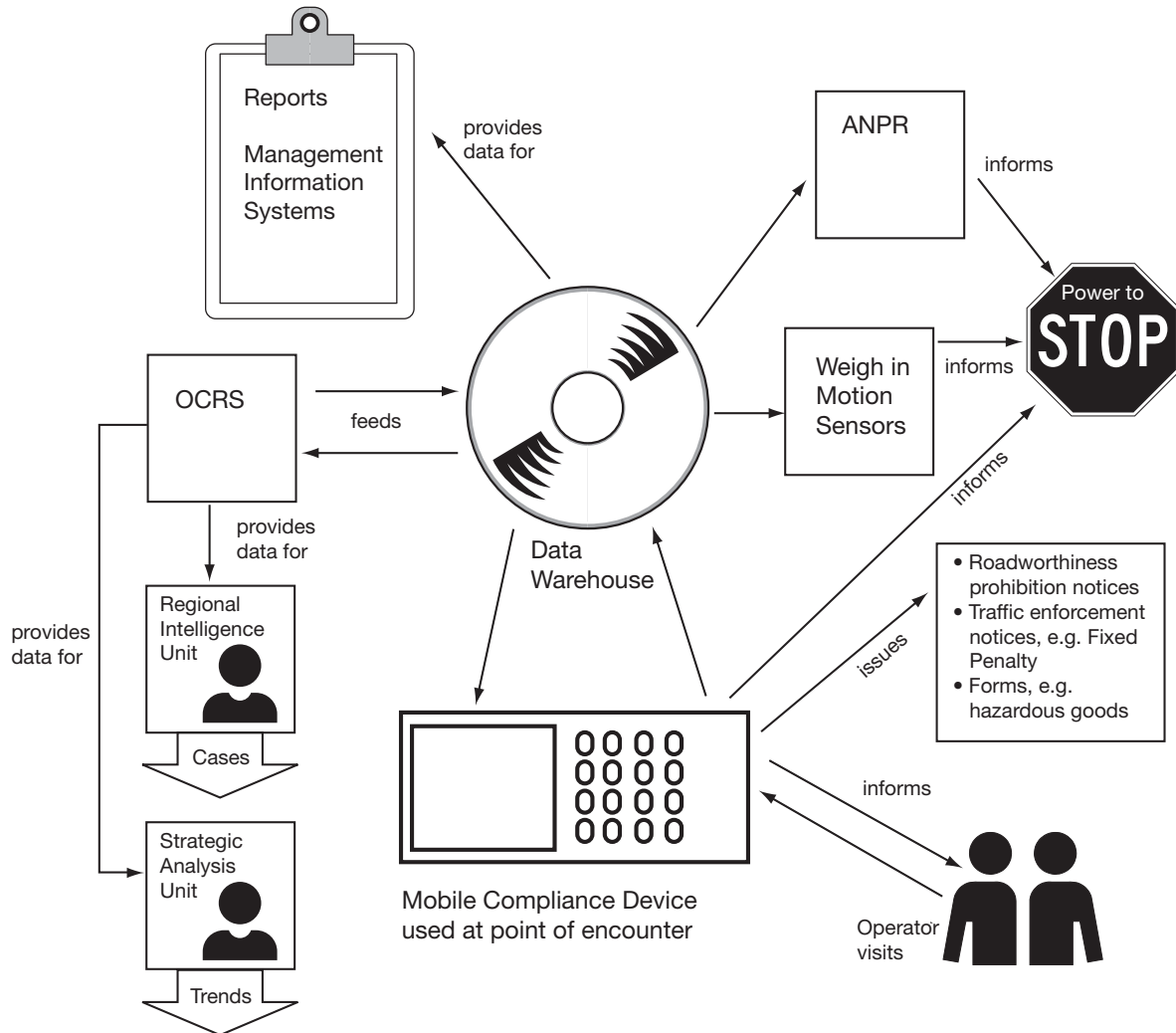
In our 2005/06 Business Plan, we referred to how we are developing a number of initiatives in order to transform our enforcement operations. This year will see the roll-out or development of a whole programme of interrelated initiatives to enable more immediate and effective targeting. These include:

- **Targeting Framework** – a formalised process for managing intelligence;
- **Regional Intelligence Unit** – offices collating intelligence and providing cases to the Traffic Commissioners;
- **Strategic Analysis Unit** – specialist team providing high-level statistical analysis of large volumes of data to identify trends and behaviours of drivers, vehicles and operators, allowing strategic targeting of enforcement resources to high-risk locations and times of day;
- **Mobile Compliance Device** – hand-held device for providing examiners with the information they need where they need it – at the side of the road;
- **Operator Compliance Risk Score (OCRS)** – risk rating system to enable evidence-based, targeted interventions to reduce road safety risk of, initially, HGVs;
- **Automatic Number Plate Recognition (ANPR)** – system to identify and subsequently filter vehicles, thus targeting the non-compliant. Used for roadside checks (e.g. identifying the best times to stop non-compliant operators), for investigations and in conjunction with OCRS. Project under way to identify a strategic network of sites throughout the country to deploy ANPR/WIMS technology. Also looking at the possibility of accessing police ANPR data and partnership working with DVLA in deployment of VOSA and DVLA vehicles at the roadside;
- **Weigh in Motion Sensors (WIMS)** – in-road piezoelectric strips that measure vehicle weights to a margin of error better than 5%. Pilot installation in 2005 proved hugely effective with 75% of vehicles identified as overweight and stopped, being prohibited. Up to 20 further sites to be installed over the next two years;
- **Power to Stop*** – power granted to VOSA Enforcement Support Officers to allow them to stop vehicles at the roadside;
- **Investigations** – three dedicated regional teams to undertake investigations across roadworthiness, MOT and traffic enforcement.

* DfT, in conjunction with the Home Office, is drafting legislation to include Scotland for the autumn 2006 session; if this is successful, powers could be available in Scotland from summer 2007.

Integrated delivery of all these initiatives will mean that we can more effectively target our resources, which has a corresponding impact on the compliant as they are less likely to be detained and checked while on the road. Our ability to improve the targeting of our operations will be progressive as the various initiatives are rolled out during the year and across the country.

Targeting Framework



The following measure supports our regulation target and builds on performance in 2005/06:



KEY MEASURE: Improved targeting of enforcement action at the roadside, delivered by:

- reducing the percentage of vehicles detained at the roadside that have not contravened driver and vehicle regulations from a 2004/05 baseline of 77.1% to below 70% in 2006/07; and
- increasing effective targeting of serious offences, measured by the average of **quality*** prohibition points per roadside check from a 2004/05 baseline of 15.2 to above 18.0 in 2006/07

*Quality recognises that the prohibition error rate measure, ensuring robust prohibitions, is a key performance indicator in this package of measures.

The benefits gained from this streamlined, co-ordinated approach are:

Benefit	Effect
Central intelligence co-ordination according to need – national strategy and regional tactics devised accordingly	We can organise ourselves so as to target the non-compliant in the most efficient way, being flexible to changing circumstances and sharing data effectively with other agencies and partners
Better collated intelligence, leading to better research and better cases presented to Traffic Commissioners	Non-compliant operators are better targeted; better cases lead to better use of Traffic Commissioners' time and more success in court cases.
Ability to analyse data from a range of sources at a global level, identifying themes, trends and hot spots	Tactics and strategy can be influenced, appropriate staff can be deployed and decisions are evidence-based
Ability to collate the compliance history of the vehicle and operator in a timely way	Enforcement Officers can make informed decisions based on evidence, are freed from having to type in roadside encounter data at the office and data is timely
Enforcement Officers no longer have to rely on the availability of police resource to carry out their work	Targeted checks at the appropriate times indicated by intelligence thus increase the number of unsafe vehicles and drivers removed from the road
Commercial vehicle offences detected at the roadside can be dealt with by Fixed Penalty Notices	Process is less bureaucratic, resources can be used more efficiently, offences by foreign drivers who previously might not have attended a full court case are detained and fines are standardised

Reputable operators have been very supportive of the new arrangements as we can focus on their non-compliant competitors.

When the OCRS mechanism is deployed at the roadside in 2006, foreign operator encounters will be captured into the Mobile Compliance database via the roadside devices. Once sufficient foreign operator data has been captured, VOSA will be in the position to analyse it to understand if it is feasible to broaden OCRS to provide a risk score for foreign operators.

The Road Safety Bill has opened the way for legislation to be introduced in autumn 2006 on two schemes:

- **Graduated Fixed Penalties** (a more immediate means of taking action against non-compliance which avoids the use of courts for appropriate offences); and
- **Deposits** (powers to take financial deposits against a Fixed Penalty or potential court appearance where our examiner has reason to believe that the offender has no reliable address in the UK).

Following Royal Assent, a host of activities (secondary legislation, technology interfaces, operational policy) will need to be delivered so that we are ready to run the two schemes.



KEY MEASURE:
On track to implement operational Graduated Fixed Penalties and Deposits system within 12 months of receiving Royal Assent

Further new legislation which we will be preparing for includes:

- **Revised drivers' hours:** in December 2005, agreement was reached between the European Parliament and Council on the draft legislation concerning driving and rest times for professional drivers and the rules to enforce these driving and resting times. This year we will be taking forward a programme of work to ensure that both VOSA and

the industry are ready for the implementation of the new rules when this legislation comes into force during the summer of 2007.

- **Digital Tachographs:** the setting of a revised mandatory date for the fitting of digital tachographs to new vehicles in the scope of EU drivers' hours rules has been included within changes to EU legislation and will come into effect 20 days after publication of the new EU drivers' hours regulations. Based on advice from the European Commission, the requirement for mandatory fitment to new vehicles could come into effect from as early as May 2006. VOSA has implemented changes to the Approved Tachograph Scheme to support the fitment, activation and calibration of digital tachographs, and we will continue to monitor and enforce drivers' hours requirements with the new technology.
- **Driver Certificate of Professional Competence (CPC) qualification:** an EU Directive being introduced into UK legislation in September 2006 requires all professional bus and lorry drivers to hold a CPC in addition to their vocational driving licence. A CPC scheme must be implemented for PSV drivers from September 2008 and for HGV drivers from September 2009. The aim of the Directive is to improve the skills and knowledge of drivers both at the start and throughout their working life. The CPC qualification will be indicated by an additional code on the driving licence. Our work involves ensuring that the legislation can be enforced.

This year we will continue to develop enforceable legislation as well as develop a commercial package of training courses. Additionally, we will steer the training syllabus to address road safety issues and provide questions for the vocational and CPC theory test.

Alongside our initiatives and our work to respond to and implement new legislation, we are active in a range of projects and organisations, all working towards the propagation of best practice in traffic enforcement and road safety:

Euro-Contrôle-Route (ECR) is a group of European transport enforcement agencies. VOSA, along with representatives from the DfT, represents the UK in the group. It seeks to promote common working methods and exchange of enforcement information and intelligence across Europe, including offences committed by drivers while abroad.

In September 2006, we will host an exchange visit from examiners from France, Belgium, the Netherlands, Luxembourg and Austria to give them an understanding of UK enforcement practices, to learn about the issues our Traffic Examiners encounter at roadside checks and to gain an understanding of the UK licensing systems. Reciprocal visits are planned in March, June and October 2006.

CORTE (Confederation of Organisations in Road Transport Enforcement) is an association bringing together enforcement agencies from throughout the EU as well as the police, government transport agencies and industrial partners. The group is involved with the VERONICA project (see page 18).

ROSEP (Road Safety Enforcement Training Programme) is a three-year project to tackle disparities between EU member states in enforcement practices, in differing sanctions for the same infringements and in varying levels of understanding among Enforcement Officers themselves.

Helping to improve EU road safety standards

VOSA is supporting the UK's enlargement policy for the EU through projects in Romania and Slovakia. The EU-funded project in Romania will help it prepare for accession to the EU and includes improving the system for dealing with accidents involving dangerous goods transport and training Enforcement Officers to use and interpret tachograph chart reading devices and data. In Slovakia, VOSA will train 75 inspectors by July 2006 to check Slovakian vehicles, at the roadside and operators' premises, for compliance with drivers' hours. These projects will benefit road safety in both countries and wherever their vehicles travel.

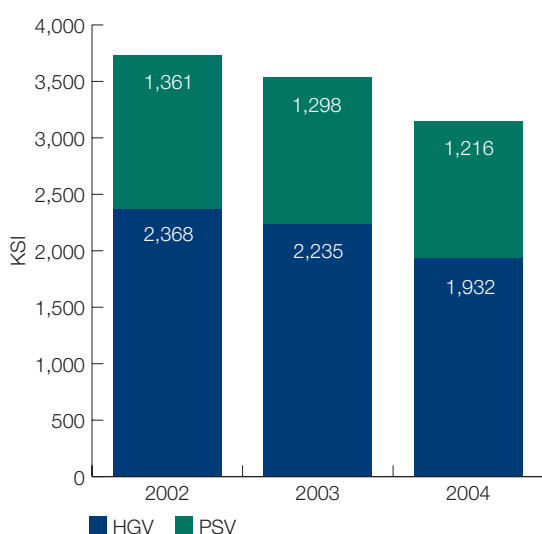


Training in Europe

Understanding the causes of collisions

There is a wide range of information that is helping to inform and make our targeted enforcement activity more effective. Our work on collisions investigations enables us to develop a better understanding of both technical and operational issues that might contribute towards non-compliant behaviour and hence potentially contribute to unsafe driving. Progress in reducing the number of collisions involving HGVs or PSVs over the last three years has been good, despite fairly constant vehicle miles travelled:

Killed or seriously injured in collisions with HGVs or PSVs – three-year trend



Drawing on our technical expertise of vehicles, we now work in partnership with 49 of the 51 police forces on collision investigations. These are mainly in cases of fatal or serious injury or where there is an allegation of a safety defect. Broadly, our involvement in the investigation involves:

- examination of the vehicle;
- reviewing driver's hours and behaviour, at police request; and
- preparation and presentation of evidence.

On many occasions, we attend the scene of collisions to gather and preserve evidence. If this is necessary, we will endeavour to attend as soon as possible, allowing the vehicle to be moved or recovered from the carriageway promptly, to reduce congestion as much as possible.

Making the most of information

Improving the collisions database. Since July 2003, this database has stored technical details of approximately 2,500 collision reports each year. The database is owned by the Department and managed by the Transport Research Laboratory, and is a key tool for identifying accident trends, design or construction deficiencies, and vehicle and driver behaviour. To make the most of this data, we are continuing to explore new information sources with the Department and agencies, such as the Highways Agency, as well as supplying expertise to the Co-operative Crash Injury and Truck Crash Injury Studies. These studies research vehicle-occupant injury with a view to improvements in vehicle design and construction and making trucks and buses less hostile when vehicles collide with them.

Researching the potential of information from vehicle data networks – VOSA is involved with several organisations in monitoring the latest developments in vehicle telemetry and data recording, where they can contribute to road safety. Useful data is now combined with other electronic records, such as routine maintenance records, to provide a better overview for operators, owners, repairers and manufacturers.

Improving vehicle design, construction and reliability. We currently collate information on vehicle and component defects from a wide range of sources and seek to share it with other relevant EU authorities and manufacturers to promote a harmonised approach to automotive safety issues throughout Europe. We will develop our capability to enforce the General Product Safety Regulations and encourage take-up of the Regulations from manufacturers. To support this initiative and to demonstrate credibility, we are working towards obtaining ISO accreditation and expect to achieve this by June 2006. Last year 249 recalls were launched and in November 2005 we began to compile a register of safety features useful to drivers, and expect to circulate it within the automotive industry for comments in July 2006.

At a European level, we will continue to work this year on the **VERONICA (Vehicle Event Recording based On Intelligent Crash Assessment)** project, which aims to bring together European research on vehicle collisions. The report by all working parties on practical benefits will be presented in autumn 2006.

Environmental and congestion objectives

*Changing the way we deliver...
...targeting vehicles
'at risk' of causing
congestion*

We are collaborating with the Highways Agency to deliver their target of improved journey reliability by helping tackle the causes of 'non-recurrent' congestion (primarily collisions, breakdowns and shed loads) involving HGVs. In particular, the partnership will seek to address the following issues:

- 'significant' events – one-off incidents that cause massive disruption;
- international traffic compliance – particularly in the south east of England (which will act as a model for enhanced partnership working nationally);
- overloading and other unsafe loads; and
- tired vocational drivers.



KEY TARGET: To contribute to making journeys more reliable on the strategic road network, improving road safety and minimising congestion, by working in partnership with the Highways Agency and targeting 'at-risk' vehicles



KEY MEASURE: To identify* and take action** on goods vehicles 'at risk', initially through a pilot scheme in the south east of England

In 2006/07, we will focus on:

- carrying out an HGV traffic flow and incident review across the Highways Agency network to determine optimum locations for enforcement check sites and agreeing any necessary changes, plus installation of ANPR and WIMS with a particular focus on port traffic;
- agreeing a process for sharing intelligence and other data with Highways Agency Traffic Officers; and
- fast-tracking enhanced enforcement in the south east of England, to include piloting the initiatives above, to mitigate the road safety risk from increasing volumes of international traffic at risk, notably those with left-hand drive.



At the scene of a collision

* Identified through Highways Agency and VOSA research.

** Targeted operations will cover a range of activity both preventative and punitive.

London Low Emission Zone

The Mayor of London has announced plans to introduce a Low Emission Zone by 2008 across Greater London. Its aims are:

- to improve the health and quality of life of people who live and work in London, through improving air quality; and
- to move London closer to achieving air quality objectives (and EU limit values) for 2010.

The scheme aims to achieve this by discouraging entry into the London area for older, more polluting vehicles (excluding cars) by charging them for entry into the Zone.

We will provide detailed briefings for Transport for London, via the Department, on implementation and the necessary emissions data. We will also be checking the correct installation and function of emissions-testing equipment and issuing Reduced Particulate Certificates accordingly.

Modernised operator licensing

In the White Paper *The Future of Transport*, the Government made a commitment to modernise and streamline the system of licensing of operators of HGVs and PSVs. The objective is to reduce the burden on the road freight and passenger transport industries while maintaining safety standards. A paper on this went out to consultation in December 2005. Key areas of consideration for change include:

- appointing a single Traffic Commissioner and Traffic Area Office for national operators;
- centralising the main administration of the 'O'-licensing system;
- rationalising the fee structure for licensing and testing; and
- further consideration of the abolition of the paper licence disc.



KEY MEASURE: Agreed plan for licensing reform implemented within 12 months of the decision to proceed

Changing the way we deliver...

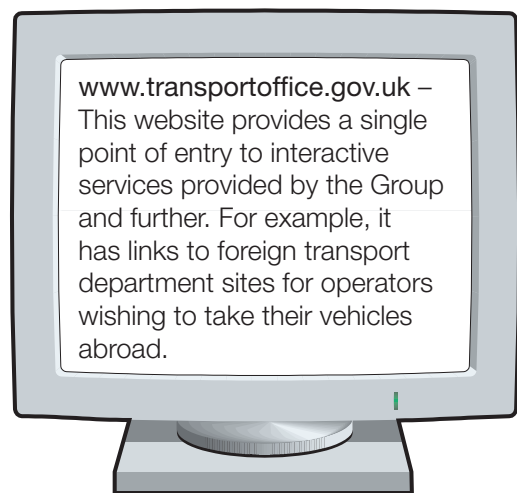
...by providing more services online and by simplifying operator licensing administration

Increasing online capability

Providing modern, accessible services online for our customers is a major priority for us.

As part of our drive to make our services more accessible, reduce paper-based processes and exploit the flexibility of internet access, we are pursuing an active programme of e-enablement, including:

- **New developments in test bookings:** A service to enable customers to book tests online which will allow most mainstream tests to be booked for our HGV, PSV, Vehicle Identity Check and Motorcycle Single Vehicle Approval customers. The service will benefit customers through allowing them to access the booking service over wider hours and see information on and manage all of their bookings in a single place, accessed through the Transport Office website.



- **Accessing and amending licence details:** Since November 2004, both HGV and PSV operators have been able to manage their own vehicle licence details as part of our Operator Self-Service (OSS) facility, with the functionality of the system expanding further over the last year. By early 2006, 58% of transactions were carried out using the service and increased take-up of OSS forms part of our wider e-services Key Target (see page 31).

- **Online bus route information,** enabling online bus registration. TransXchange (TXC) is an IT protocol, owned by DfT, which sets out how bus service data should be recorded and thus governs our project to provide online bus registration. Implementing the protocol will bring the following benefits:

- standardised data and greater transferability for operators;
- free availability of data, for example for journey planner and timetable websites;
- cost savings;
- more effective bus monitoring; and
- extended use of display of bus information at bus stops.

Bus stop data is held in the NAPLAN database, which is maintained by local authorities. The uptake of online registration is dependent upon operator confidence in the quality of the data, and issues arising from different methods of working among operators will need to be addressed. Four large operators are expected to participate in the pilot, subject to their own scheduling systems' compatibility with TXC. Results should be available in June 2006. We will continue to work in partnership with Transport Direct to encourage the use of the electronic bus service registration module through our online self-service facility by small and medium-sized operators who do not have their own scheduling software.

Transforming the way we carry out testing

As initially mentioned in last year's Plan, we conducted a study from January to June 2005 on efficiency and effectiveness gains possible in our HGV, PSV, Single Vehicle Approval and Enhanced Single Vehicle Approval testing operations. This has resulted in VOSA's commitment to a two-year Testing Transformation programme. The changes are intended to ensure that the customer is detained for as short a time as possible and that the content of the test is consistent and appropriate. The programme covers:

- best practice and efficiency gains in processes within Testing Stations and Technical Services;
- a review and rationalisation of VOSA's network of Testing Stations (including Designated Premises), ensuring that our network is appropriate for the current UK freight transport conditions, and to improve the utilisation of the estate; and
- amendments to the SVA test process and content.



Deliverables in the next 12 months include:

- develop business process re-engineering (working processes and pilot at four test stations);
- develop modelling capability and business case for rationalisation; and
- redesign and implement revised Technical Services Branch application processes.

Promoting quality and consistency

In the current environment of new and changing policies, procedures and working methods, our Quality Assurance and Improvement Team will be focusing on:

- policies being applied and applied consistently; and
- spread of best practice.

In particular, this year, the team will provide data on how well we deliver consistent customer experiences (say, at a test or roadside inspection). Costs will also be monitored to ensure, for example, that our customers are not asked to pay unacceptable premiums or suffer undue delays. Another key activity will be to monitor those Testing Stations with average failure rates outside 1.5 standard deviations from the national average. We will work with managers and individuals to identify the causes for this deviation, supporting them in producing corrective action plans. The team will work more closely with Vehicle and Traffic Examiners on their vehicle inspection techniques and check that any sanctions arising from inspections are appropriately and consistently applied.

All this work is reflected within a Key Target and associated measure, as follows:



KEY TARGET: To improve the consistency of VOSA's vehicle testing service across the country



KEY MEASURE: By 31 March 2007, reduce the variation in initial test fail rates by one-third from the 2005/06 national average for HGVs, trailers and PSVs while maintaining quality test standards

Responding to new legislation

European Community Whole Vehicle Type

Approval: At European level, we are preparing for European Whole Vehicle Type Approval (ECWVTA) legislation. The first stage of negotiations on a Revised Framework Directive was concluded in December under the UK Presidency (DfT officials presiding). A further 18 months of discussions lie ahead involving the European Parliament, the Commission and the Council of Ministers. Entry into force of the Directive is not expected before summer 2007, with a consequent date for recognition of Certificates of Conformity (CoCs) for registration purposes of summer 2008. We will be working during the year with DfT, DVLA and VCA to ensure there are robust arrangements in place to allow the registration of vehicles using CoCs provided by those manufacturers who have been granted full type approval before the mandatorily required date.

Changes to speed limiter rules: In response to changes in EU and Great Britain legislation, since 1 January 2005 the reduction on the speed limiter threshold to include new HGVs greater than 3.5 tonnes plus PSVs with more than eight seats is being introduced. There is a phased approach, according to the date of registration and type of use, with all vehicles fitted with a speed limiter by 1 January 2008.

Sharing expertise in Europe

CITA (Comité International de l'Inspection Technique Automobile): CITA is an organisation working towards consistency and best practice in testing throughout Europe and beyond. Our representatives participate in CITA working groups, each focusing on a different area of vehicle technological change or testing practice.

CITA is in the lead on the **AUTOFORE** project, which was commissioned by the EC to evaluate future options for roadworthiness testing and enforcement in the EU. VOSA represents Great Britain on the steering group. Its proposals for the short/medium term (to 2010) will cover extending current directives and developing existing regimes. Thereafter, a future direction for the longer term (to 2020) will be proposed that takes account of likely developments in vehicle, diagnostic and communication technologies as well as the individual stages of development of member states, the views of other stakeholders and the feasibility of change. CITA will report to the Commission in February 2007.

Responding to what our customers tell us

To support and assure the improved standards, we will continue to respond to customers' changing needs, which in turn enables customers to improve their compliance behaviour. Various initiatives will help us assess what those needs are:

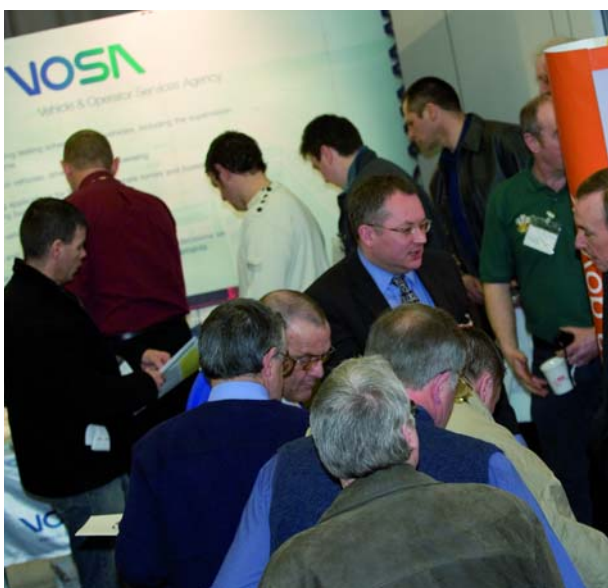
- **Progressing the Service Level Agreement.** In December 2004, we signed a Service Level Agreement for testing with trade associations with the aim to review/improve working practices to the mutual benefit of all parties. Good progress has been made.

'The SLA and the Account Manager concept is a huge step forward in enabling VOSA and operators to better understand the complex issues each face in ensuring that the industry meets its goals in improving safety, meeting environmental standards and ensuring that the image of the industry is a positive one. It is important that everybody is heading in the same direction and that both parties have realised the advantages of better communication and co-operation.'

Carl Olufsen, Area Fleet Manager, DHL Express

We now plan to capitalise on the strong foundations already formed, in particular extending Account Manager trials to identify the longer-term benefits. During discussions with the trade, we have also recognised the need to understand better the significance of the presenter's role as a key stakeholder in ensuring the roadworthiness of a large proportion of the fleet, and we shall therefore be considering options to involve them more.

- **VOSA seminars.** We are establishing an annual series of seminars for the commercial vehicle operating industry. In May and June, we will deliver a series of seminars for Transport Managers to support the adoption of digital tachographs.
- **Traffic Commissioner seminars.** A programme of Traffic Commissioner seminars is planned for 2006/07, aimed at educating operators about the role of the Traffic Commissioners and the developments being progressed by VOSA.
- **Research through workshops and surveys.** During 2006/07, the DVO Group will be conducting a further programme of regional operator workshops. VOSA's customer champion will continue to manage these and will be joined by colleagues from DVLA, DSA and Highways Agency. The workshops will provide an opportunity for operators to ask questions, share information and concerns with the agencies at first hand and debate issues that have an impact on them. They are designed to improve operator awareness of the services currently provided and to seek their input to the development of new policies and initiatives, as well as services.



- **Customer satisfaction surveys.** These annual surveys allow us to identify issues, introduce appropriate actions and focus our efforts accordingly. Action plans will be put in place based on 2005/06 results and will be rigorously monitored. For example, the past surveys have indicated the importance of consistent testing performance and this is reflected within our Testing Transformation programme as well as one of our Key Targets. We will carry out further surveys of commercial operators and drivers, fitters and presenters in the autumn, with results to the VOSA Board before Christmas 2006.

We will report on the progress of this work through the following Key Target and measure:



KEY TARGET: To maintain or improve customer satisfaction at 2005/06 levels



KEY MEASURE: Operators $\geq 80\%$, Drivers, fitters and presenters $\geq 93\%$

In 2007/08, we will adopt a new, Group-wide common customer satisfaction index which will be based on the core components of vehicle testing, enforcement, 'O'-licensing, relationship with MOT centres and data provision. This year, this new approach will shadow the existing Key Target.

Driving up the standards of private vehicles...



*Changing the way we deliver...
...improved car MOT standards, benefiting the private motorist and garage industry*

Transforming the MOT scheme

Cars make up the vast majority of the UK vehicle fleet and supervising the MOT scheme forms a large part of our work. In the past year, we have made major advances in rolling out MOT Computerisation, enabling a number of improvements to the way that we manage the MOT scheme.

Benefits of MOT Computerisation

To the trade:

- reduced administration (tests, fail rates and failure reasons are automatically collected);
- test items can be tailored to the specific vehicle;
- better control and monitoring;
- phasing out blank certificates removes the possibility of fraud; and
- contributions to vehicle safety and development, e.g. through analysis of failure trends.

'I like the fact it is very secure, no worry about safes. I particularly like being able to get a daily report off it so I can see what's going on.'

Clist and Rattle, Portishead Service Station

To the motorist:



We are considering some further technological developments to enhance MOT Computerisation. We will focus on the hand-held device to record testing data and explore the use of broadband transmission and other technology enhancements for the equipment in garages. These developments will be considered for suitability and use in the garage environment.



- 28.6 million private vehicles and 1.06 million motorcycles licensed
- Around 30 million MOT tests annually
- 21,500 SVA/ESVA tests annually
- 7,600 MSVA tests annually
- 80,000 Vehicle Identity Checks annually

Contributing towards better regulation

In support of the Government's drive to reduce the burden of regulation, a consultation exercise was undertaken in autumn 2005 on partial re-tests. In response, we simplified the re-test procedure to allow the tester flexibility to record a simple rectification such as a blown bulb. Full implementation of changes to re-test rules should be in place from August 2006, subject to the approval of necessary secondary legislation.

Enabling more effective enforcement

MOT Computerisation is making a real contribution to improving enforcement within the MOT scheme by moving towards achieving the expectations of the customer and allowing enforcement work to be targeted. The customer expects a vehicle that has passed the test to be roadworthy. The system relieves the Vehicle Examiner (VE) from the previous need to check, for example, the security of MOT certificate pads and allows the VE to concentrate on spot checks of recently tested vehicles.

The system also makes the identification of non-compliant garages easier, as smart cards record testing activity real-time, so VEs can remotely monitor testing activity to get an accurate picture of the work being carried out. The data collated can subsequently be analysed to identify results that contradict national trends and those garages that are not upholding the standards of the scheme can be targeted. In a similar approach to that taken towards non-compliant HGV or PSV operators, we will identify a way of scoring the garages that are most likely to be non-compliant, either by choice or in error. Appropriate action can then be taken, either through guidance to the garages or by applying sanctions.

Promoting compliance

- **MOT reminders:** Within DVO we are exploring various options and possibilities for reminders to assist the consumer to be compliant, while ensuring these are cost-effective, for example self-adhesive labels. Any solution needs to take into account the necessary differences between Vehicle Excise Duty reminders already sent by DVLA to the vehicle keeper and MOT reminders, which would need to prompt the driver. The exploratory work will support any decision by Ministers on the merits and cost of providing reminders.

- **MOT evasion:** We will design or consider options for 2007/08 for identifying MOT evasion once we have a complete database of who does and does not have an MOT test for vehicles used on the road. This will enable greater use of ANPR capability which exists within VOSA and with our partners, such as the police and DVLA.

Ensuring the right training and communication

VOSA is responsible for the compulsory training of all Authorised Examiners (AEs) and Nominated Testers (NTs) to ensure that tests are carried out accurately and consistently. We are currently in the process of reviewing the way that we carry out our training to identify changes that might benefit the trade and ultimately the consumer. Any changes made to existing arrangements (e.g. considering e-learning, more practical training) will only be made once a thorough review has been completed.

Communications to MOT garages and operators

Communicating directly with our customers allows us to keep them informed of changes. In 2006/07, we plan to:

- produce four issues of *Matters of Testing*, keeping the trade up to date with changes affecting the MOT scheme and responding to feedback from the trade;
- deliver around 100 seminars – a successful forum to discuss ongoing projects, trade issues and feedback from surveys;
- continue to run Vehicle Testing Station Councils – a forum for two-way communication with AEs and NTs; and
- obtain a view of customer satisfaction through surveys of:
 - MOT garages in the second quarter of 2006/07;
 - private motorists, on general issues and the MOT in particular.

Our key measure refers:



KEY MEASURE:

To maintain or improve customer satisfaction at 2005/06 levels ($\geq 92\%$)

We will be running a number of media campaigns during the coming year. These will include a campaign to encourage operators to use VOSA's new electronic services and a campaign to raise the profile of the MOT scheme and, in particular, the benefits provided by MOT Computerisation.

Increased light goods vehicle enforcement

We will continue to carry out roadside checks of light vehicles (mainly LGVs) but also of cars (for emissions), taxis, private hire vehicles etc., to complement the work done by the police and some local authorities on roadworthiness and emissions. We are planning to increase the number of examiners checking LGVs, limousines and non-testable vehicles, subject to funding. The additional resource will enable us to respond to:

- increasing concern over the roadworthiness of LGVs – prohibition rates currently at over 48%;
- Health and Safety Executive requests for VOSA to accompany them on increased checks of agricultural vehicles;
- partnership working with those local authorities which are air quality management areas, e.g. West Oxfordshire, North Warwickshire;
- increasing numbers of stretch limousines that are not fully regulated; and
- overloaded LGVs (prohibition rate currently around 37%), which present a road safety risk as all LGV overloads exceed safe design weight.

Research and development

Low-emission petrol and diesel research

We work in partnership with DfT on research into low-emission petrol and diesel engines. We commissioned a peer review in 2005 into research conducted to date, which was presented in March. This year, our work in this area will be based on its findings.

Initiative for Diagnosis of Electronic Systems (IDELSY) and emissions work

The monitoring of vehicle condition in general is moving further into the field of diagnostic interrogation of component control systems, which has the potential to provide a meaningful, real-time data assessment of vehicle performance. This has particular relevance in the assessment of emissions for on-road conditions. We worked on the IDELSY car project to investigate a generic scan tool usable throughout Europe. At the conclusion of the project in December 2005, recommendations were

presented to key stakeholders. These advocate improvements to the generic scanning tools and standardisation of diagnosis fault codes. Further presentations to the EU technical adaptation committee are likely to be necessary.



Similar to the commercial vehicle operations, VOSA's Board has a new post of Private Vehicles Director.



'I welcome the opportunity to work closely with all our customers across the private vehicle sector and having the chance to develop MOT Computerisation through new technology and software enhancements.'

Alex Fiddes, Director, Private Vehicles

The new Director will ensure that the views of all our customers are sought and factored into the development and ongoing management of MOT, VIC and SVA schemes.

Developing our organisation to improve delivery

Effective employment of our staff

In the present climate of change, value for money and better regulation, we need to ensure that we have the right staff with the right skills and in the right place to deliver the changes.

Changing the shape of VOSA to meet future business needs

Alignment of our organisation to enable better delivery of the revised strategy (see page 9) resulted in a new business model which takes effect from 1 April 2006. The new model (see below) clearly demonstrates:

- our aim to become more customer-centric with teams based on our three main customer groups¹ (as described on pages 13 and 27); and
- a logical divide of our delivery services according to the entry², time in business³ and potential exit⁴ of operators/drivers/MOT garages – providing an efficient process-based approach which recognises the differing skill sets required for effective delivery.

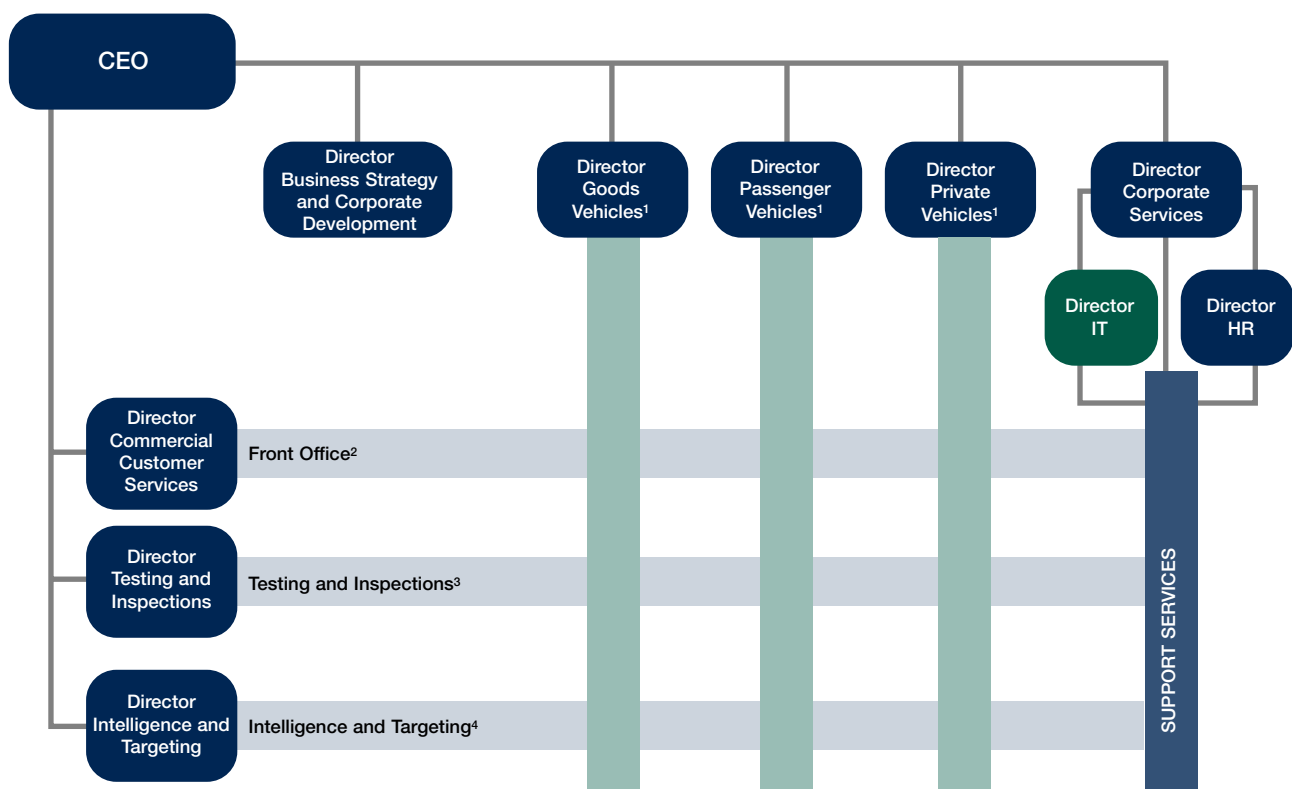
A comprehensive training and development package will ensure appropriate investment in staff to meet new and revised business roles.

Investing in our people

Following VOSA's Investors in People (IIP) assessment at the end of 2005, we are in a Retaining Recognition period that can last up to two years. We are fully committed to restoring VOSA's accreditation as an Investor in People and an action plan has been developed that we will resource and roll-out this year, including:

- a series of workshops for all staff during the year, explaining our current status and what we will have to do to ensure continued recognition;
- improving the evaluation of the development of our people and the assessment of the links between development costs and improvements in business performance;
- ensuring that annual staff reviews are effective in providing feedback, that they assist development and that they are timely;

New organisational model



- improving induction and ongoing development for our administrative staff; and
- improving our line managers' development programme with a focus on managers as effective leaders.

A joined-up DVO approach

The DVO People Programme was completed in early 2005 and delivered three projects:

- the DVO competency framework, which is due to be used in appraisal and recruitment in VOSA from 2006/07;
- a recruitment and workforce planning review; and
- procurement of a suite of e-learning products and tools that are available to all the DVO agencies and across government (see below for further details).

In addition, the programme enabled DVO Human Resources (HR) teams to collaborate on a whole range of HR issues and further enhanced working relationships across the Group. Continued progression of DVO HR work is through the DVO HR Forum. Currently, the Forum is focusing on attendance management, especially the setting of realistic and achievable targets for the reduction of sickness absence for the Group.

At governmental level, the Professional Skills for Government (PSG) initiative is a major long-term change programme designed to ensure that civil servants, wherever they work, have the right mix of skills and expertise to enable their departments or agencies to design and deliver 21st-century services.

We will consider the impact of PSG on existing HR policies and procedures including recruitment, learning and development, staff appraisal, reward and career paths, and will introduce arrangements to achieve full implementation of PSG to meet Cabinet Office deadlines. This will include the development and implementation of a skills strategy to show how we will ensure that VOSA has the skills needed to deliver its priorities and our staff meet the requirements of the PSG framework.

Offering more flexible ways to learn

In order to provide more effective and flexible training and development, we are adopting more varied training techniques to complement traditional, printed media and CD-ROMs. We took part in the Group's e-learning pilot in autumn 2005, which demonstrated the potential time savings (reduced need to travel and thus reduced costs) and greater flexibility for the delegate. We are reviewing and recommending ways for further expansion of e-learning.

Our new HR IT system includes an e-learning module (online training and in-house self-help documents), which also reports on trends and thus future requirements.

Working for equality

Since starting in 2002, we have recorded ethnicity data on 78% of all our staff, comparing favourably with other government departments. We subsequently benchmarked the data against the 2001 Census information to compare ourselves with UK regional profiles to support work this year to encourage people from minority groups to apply for VOSA posts.

During 2004/05, we completed stage 2 of our Diversity Training Programme for line managers and this year will carry out further staff training on equality issues such as race awareness and disability awareness.

Promoting a healthy workforce

Our target this year is to reduce average levels of sickness absence to eight days per year per employee, and a working group will be conducting a review of current sickness absence management policy and procedures. The review will take into account recommendations from the government paper, *Sickness Absence in the Public Sector*, with an aim to equip managers to deal more effectively with sickness absence. The Shared Services Review includes a planned migration of sickness absence data to the Shared Services Centre system.

Moving forward with the unions

In order to improve employee relations and to promote working with each other, we have drafted an agreement with our trade unions who represent staff throughout the country. The agreement defines protocols, including arrangements for consultation and communication on matters that are taking place within the organisation, for example in the development of our new organisational design (see opposite).

Modernisation of our estates

Ensuring efficiency, consistency and safety at our testing sites requires regular reviews of our testing estate. Optimising their availability reduces downtime for operators and promotes sustainable site development. During 2005/06, we completed the successful modernisation of six stations which subsequently showed major improvements in operational efficiency, layout and working environment. Design work is under way on a £10m series of similar modernisations including Chelmsford, Grantham and

Newcastle. Building on the experience of previous sites, the emphasis is on improving operational efficiency and the working environment and delivering value for money. Further modernisation work is planned for later in 2006/07 and additional candidate sites are under consideration.

Our development plans include key performance indicators for sustainability across the whole business, including climate change and energy, sustainable construction, natural resource protection and sustainable communication.



A recent refurbishment

Effective testing through modernised equipment

As part of our estates modernisation work and in order to exploit the latest technology, comply with regulations and improve efficiency, we have been addressing the areas of headlamp aim, load simulation, inspection pits and roller-brake test equipment. We will shortly appoint a contractor to carry out this work and this programme will be ongoing.

Facilitating safety

In order to maintain the momentum of a downward trend in injury accidents, our focus this year will be on further improving employee and customer safety at our Testing Stations and enforcement check sites, through more effective management and control of vehicles and people in these busy environments. Measures will include:

- more explicit operational instructions for our staff;
- improved training in customer care and safety; and
- more informative safety signage and information for customers.

*Changing the way we deliver...
...£10m
investment to continue
modernisation of our
specialist estate
in 2006/07*

We will also complete noise exposure assessments for all Testing Stations that are renewed or refurbished under this year's estate and facilities modernisation programme, as well as a selection of our busier enforcement sites, to ensure compliance with the Control of Noise at Work Regulations 2005, which come into effect on 6 April 2006. In the process, we will also ensure that diesel exhaust emissions are within relevant occupational exposure limits.

Finally, as an employee safety measure, we will investigate the feasibility of contracting out 'keyholder' responsibilities for out-of-hours emergencies at our premises.

Delivering value for money

Through our value for money plan, we will contribute to achieving a DVO Group target of £145m savings and 500 fewer staff by 2007/08.



KEY TARGET: To deliver VOSA's value for money plan



KEY MEASURE: Delivered efficiency and effectiveness savings in 2006/07 equivalent to 5% (£7m) in year

Changing the way we deliver...

*...£7m
efficiencies to
enable investment in
front-line staffing*

This year, our value for money plan assumes a headcount reduction of 260 as a result of a number of initiatives. We will be redeploying a number of these staff savings into new front-line activities, and will also be increasing the headcount through new work coming into the agency:

End 2005/06	plus new work	less savings	End 2006/07
2,714	138	260	2,592

We have made significant progress in reviewing our Operational Support Services. We carried out activity analyses with a particular focus on identifying what could be managed centrally, rather than locally.

We have already delivered significant efficiency savings resulting from the review. This year, phase 2 will build on the results of the original review, analysing the activities of administrative and operational support staff and the resource required for them. This project also contributes to the 'O'-licence modernisation initiative (see page 20), proposing the centralisation of its main administration system.

The project contributes to our value for money objectives without compromising our aim of providing excellent customer service. While conforming to our new strategy and organisational design, removing repetitive activities from local sites can, as appropriate, allow staff to be redeployed to more skilled work, e.g. targeted enforcement.

Value for money savings will allow us to have an accelerated investment programme in IT and estates.

Sharing services across DfT

At Department level, the Shared Services Project (part of the Department's reform programme) has looked at the opportunities for replacing existing processes with standardised and simplified ones. This covered HR (including payroll) and finance (including purchase to pay procurement but excluding operational procurement). Benefits include:

- simpler support processes;
- reduced or removed duplication; and
- staff and estates savings.

Among proposals being taken forward is the Shared Services Centre in Swansea, planned to start up for us in April 2007.

Value for money through electronic services

There are a number of projects and initiatives throughout the Plan that contribute to delivering value for money, for example, on page 21 we discuss Operator Self-Service. To encourage increased take-up of OSS, we will be offering to complete the registration onto our commercial customer portal on our customers' behalf. Our e-services Key Target and key measure refer:



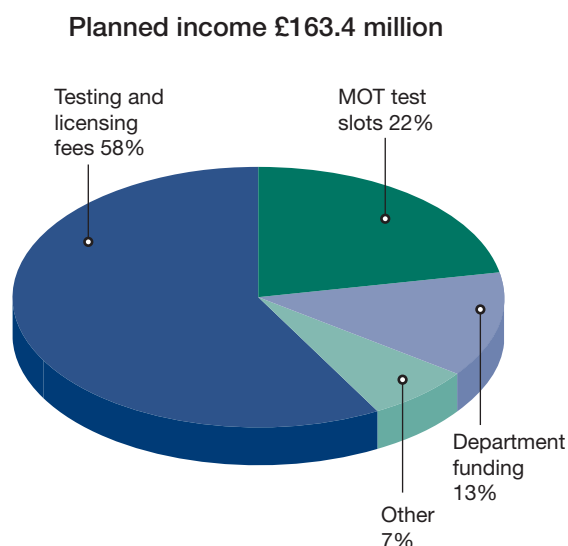
KEY TARGET: To increase the take-up of electronic services available to customers



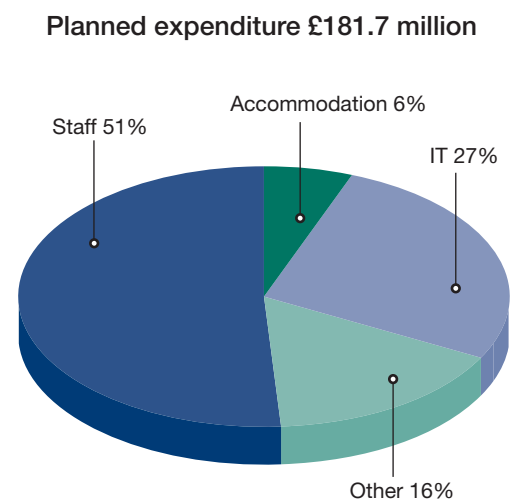
KEY MEASURE: By 31 March 2007 to have increased monthly take-up of existing and newly delivered electronic services to 30%

Managing our plan

Managing financial resources



No fee increases are planned before April 2007, when we are planning to restructure our fees as part of the Department's exercise to modernise operator licensing.



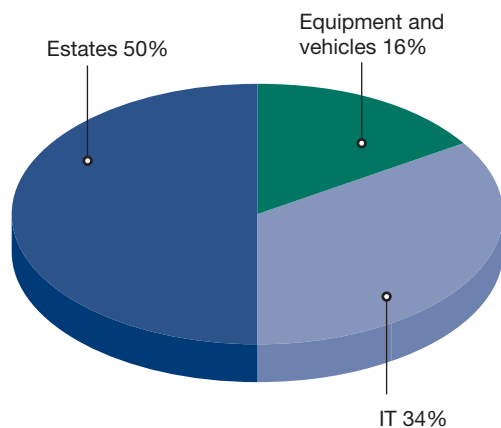
Levels of expenditure have been set to reflect delivery of our value for money plans. Of particular note is the inclusion of a full year's payments to Siemens Business Services, which will result in a reduction in the surpluses on the MOT account and subsequent cash reserves. There has also been an increase in depreciation reflecting investment in the estate, equipment and e-enablement of services.

VOSA income and expenditure statement

	2006/07 £m
Income	
Test fees	61,144
Operator fees	33,480
MOT pad fees	36,678
Business fees	905
SLAs with DfT	8,436
Commercial activities	7,262
Interest receivable	3,500
Grant income	11,949
Other income	0
Total income	163,354
Expenditure	
Salaries (inc. agency costs)	86,422
Staff-related costs (inc. T&S)	6,391
Consultancy	2,226
Vehicle testing and inspection	2,242
Costs of adjudication (Traffic Commissioners)	1,133
IT charges	49,209
Telecommunication	1,615
Postage	1,250
Printing and stationery	2,058
Publications and advertising	1,685
Accommodation	10,697
Other costs	5,587
Depreciation	11,046
Bank charges	154
Dividend payable	0
Total expenditure	181,715
Surplus/(deficit)	(18,361)
Interest payable	4,151
Net surplus/(deficit)	(22,513)

£15m of the £22.5m deficit will be incurred on the MOT scheme. The scheme currently has an accumulated surplus of £53m and it is our intent to reduce that surplus over the coming years. As the surplus held on the scheme reduces, we will review the level of fees appropriate for the ongoing operating costs of the MOT scheme and future system developments.

Planned capital expenditure £39.1 million



This year's expenditure includes continued investment in the estate and a programme of replacing equipment at both Testing Stations and the roadside, and further enhancements to IT systems.

A Treasury target the trading fund must meet is 'return on capital'. This measures the return on average assets. The in-year target is to earn a +3.5% return on capital.



Managing risk

Embedded within the organisation, our risk management system recognises the five principles for public risk management: openness and transparency; involvement; proportionality; evidence; and responsibility. Risks are appropriately owned and managed by executive directors and managers across the business within a clear escalation framework, which is regularly reviewed by the Agency's Audit and Risk Management Committee.

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

- Capacity and capability to deliver the significant change agenda – controlled through delivery of a programme management improvement plan, which will strengthen our expertise across the business in programme, benefits and change management.
- Legislation process and legal capacity (impacting 'O'-licence reform and the introduction of Graduated Fixed Penalties and deposits) – controlled through close working with policy and legal divisions against agreed baseline plans and timetables.
- Uncertainty over central funding (impacting the scale and pace of delivery of increased targeted enforcement particularly in relation to joint working with the Highways Agency in the south east of England) – controlled through contingency options for funding.

During the coming year, we will be enhancing our risk management process. This will include ensuring complete alignment with revised group and departmental frameworks and implementation of recommendations from 'lessons learned' exercises conducted after programme roll-outs (for example, MOT Computerisation and electronic test bookings).

Performance reporting

Effective evaluation of our performance enables opportunities to further develop the business and its performance. This year we have agreed Key Targets with the Minister that will ensure appropriate focus on key priorities for the year. We will report on our performance against these Targets, through Agency Management Boards, to the Group. At the end of the financial year, we summarise overall performance against the Business Plan and Key Targets through the Annual Report and Accounts as laid in Parliament.

Business Plan supporting information

Anticipated service volumes

Licensing volumes

HGV		Actual 2004/05	Forecast 2005/06	Planned 2006/07
Operator licences in issue				
	Restricted	49,200	49,500	49,500
	Standard National	40,800	40,800	40,800
	Standard International	11,900	11,800	11,800
	Total operator licences in issue	101,900	102,100	102,100
Vehicles on licence				
	Restricted	103,200	105,000	105,000
	Standard National	199,400	200,000	200,000
	Standard International	93,600	95,000	95,000
	Total vehicles on licence	396,200	400,000	400,000
	New licence applications	10,100	9,000	9,000
	Variations to licence	9,300	8,500	8,500
	Continuations	14,100	13,500	13,500
PSV		Actual 2004/05	Forecast 2005/06	Planned 2006/07
Operator licences in issue				
	Restricted	3,100	3,300	3,300
	Standard National	3,100	3,150	3,150
	Standard International	2,500	2,550	2,550
	Total operator licences in issue	8,700	9,000	9,000
Bus permits issued				
	Small bus	4,278	2,000	2,000
	Large bus	87	125	125
	Community bus	4	10	10
	Total bus permits issued	4,369	2,135	2,135
	New licence applications	1,320	1,240	1,240
	Variations to licence	1,130	1,030	1,030
	Continuations	1,120	1,020	1,020
Bus registrations				
	Live	23,900	23,700	23,700
	New	4,600	4,200	4,200
	Variations	9,800	9,800	9,800
	Cancellations	3,200	3,200	3,200

Testing volumes

		Actual 2004/05	Forecast 2005/06	Planned 2006/07
HGV	Motor vehicles			
	Annual tests	465,250	467,000	467,000
	Re-tests	115,700	110,000	110,000
	Trailers			
	Annual tests	242,100	244,100	244,100
	Re-tests	56,200	55,000	55,000
	Total	879,250	876,100	876,100
PSV	Annual tests	80,500	81,300	81,300
	Re-tests	12,700	11,200	11,200
	Total	93,200	92,500	92,500
LGV	Class IV	2,300	2,400	2,400
	Class V	8,200	7,700	7,700
	Class VII	1,300	1,000	1,000
	Re-tests	1,200	900	900
	Total	13,000	12,000	12,000
SVA	SVA	13,750	6,500	5,500
	ESVA	17,000	15,000	16,000
	MSVA	6,400	7,600	7,600
	Re-tests	10,500	7,000	7,000
VIC		44,900	80,000	80,000
ADR		2,721	4,000	4,000
TIR		337	310	310
COIF		8,870	7,450	7,450
TEMPO		478	460	460
MOT slots (million)		25.2	25.5	25.9

VOSA service standards

Standards of service for licensing

Licensing and compliance staff aim to:

- determine 85% of goods and PSV applications unopposed and not requiring a public inquiry within nine weeks of the date of receipt of the application and the required fee in the Traffic Area Office;
- determine 85% of goods and PSV licence applications opposed or requiring a public inquiry within 20 weeks of the date of receipt of the application and the required fee in the Traffic Area Office;
- determine 85% of applications for a major change to a goods or PSV operator's licence, opposed or requiring a public inquiry, within 20 weeks of the date of receipt of the application and the required fee;
- send licence documentation and vehicle discs to 95% of goods and PSV operators who apply to continue their operator's licence within five working days of receipt of the correct fee; and
- determine 95% of complete applications to register, vary or cancel local bus service registrations within five working days of receipt of the application and any required fee.

Standards of service for vehicle testing

Vehicle Testing Stations (which undertake lorry, bus and coach tests) aim to:

- offer an annual test appointment within 15 working days of the request (where the test is required within that period), at least 95% of the time at all full-time stations throughout the year;
- complete 90% of all tests within 90 minutes of the test appointment time – this will not apply if a vehicle is late for its test appointment;
- provide all drivers with relevant documentation at the end of the test (e.g. roller-brake test printout, smoke meter printout, written details of failure items) and offer an explanation about the information contained in the documentation;
- conduct prohibition clearance inspections within three working days of a requested date; and
- conduct tests to our published standards.

Standards of service for enforcement

Our Enforcement Officers 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 the vehicle are issued or drivers 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 while a VOSA examiner is still on site, provided the examiner has no reason to think that the vehicle is unfit for service;
- carry out all overloading prohibition clearance examinations within 24 hours of the request being received. A copy of any prohibition will be sent to the vehicle operator within five working days;
- give the driver a copy of any prohibition (PG9) issued to themselves or their vehicle and explain what it means. A copy of any will be sent to the vehicle operator within five working days;
- issue an exemption to a prohibition (where appropriate) to allow 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.

Standards of service for the MOT scheme

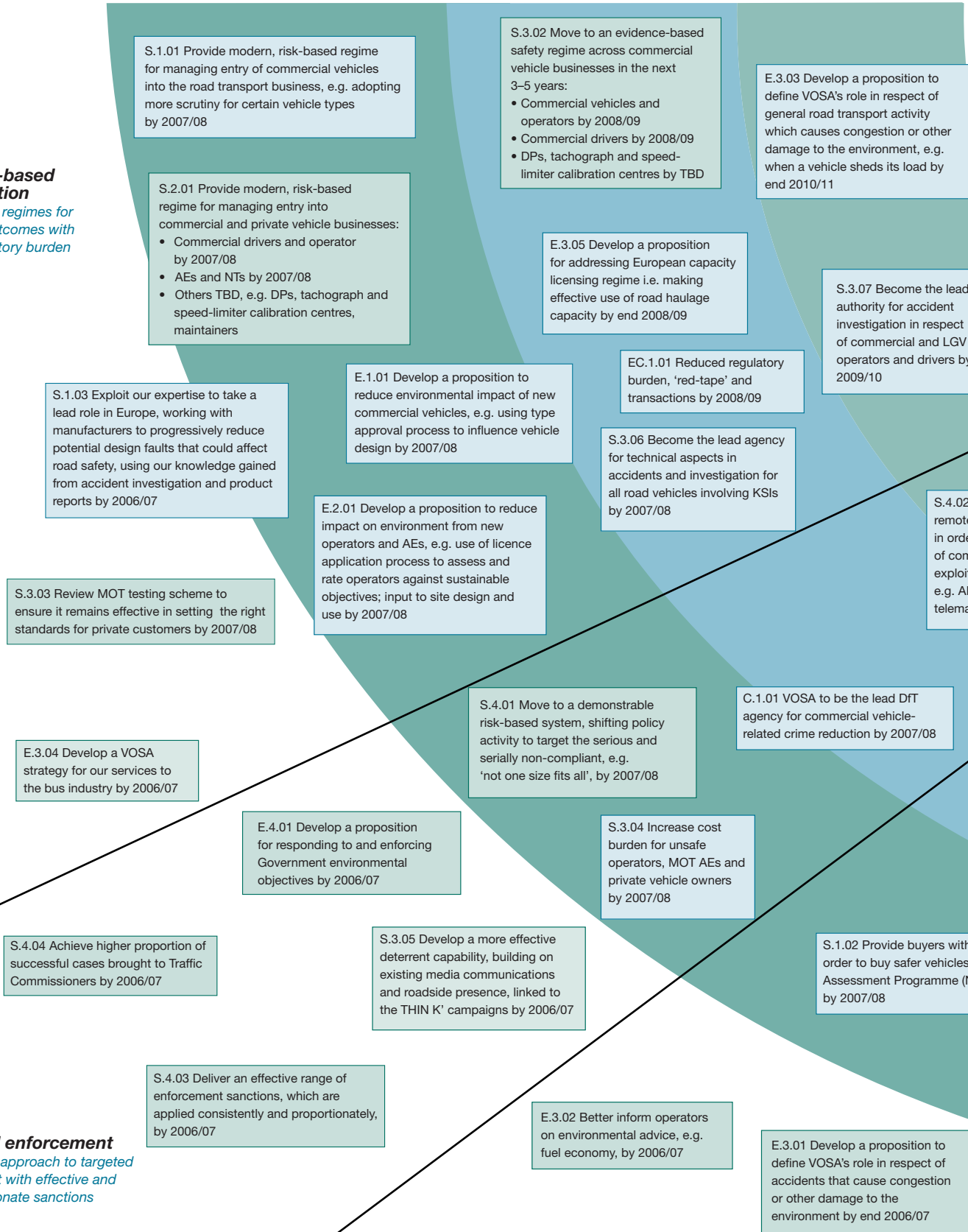
In our administration of the MOT scheme, we aim to:

- apply enforcement standards correctly and fairly and provide timely and reliable advice wherever it is sought;
- notify appointments to visit proposed testing premises within five 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 fully completed and correct application; and
- determine 95% of appeals within five weeks of receipt of full written representations by the due date against the withdrawal of Authorised Examiner, Nominated Tester, designated council or designated council inspector status and against intentions to refuse applications for the above.

Strategic themes

Strategic objectives

Evidence-based regulation
Evidence-based regimes for achieving the outcomes with reduced regulatory burden



Goals

- Improved road safety
- Improved journey time reliability
- Protected environmental standards
- Reduced vehicle crime
- Transformed public services

Outcomes

- Safer designed and built vehicles coming onto the road
- Safety-aware people coming into the road transport businesses
- Safer vehicles and drivers more effectively achieved
- Fewer 'unsafe' or illegal vehicles and drivers on the road
- More environmentally friendly vehicles coming onto the market
- Environmentally aware people coming into the road transport businesses
- Better road transport environment more effectively achieved
- Fewer environmentally unfriendly vehicles in the road transport businesses
- Effective contribution to reducing off-road vehicle-related crime
- Improved customer and end-consumer satisfaction
- Value for money services delivered by VOSA
- Level playing field achieved for UK operators
- Government objectives achieved at reduced costs to industry

Increase proportion of checks from the record to confirm standards compliance, i.e. better application of technology, NPR, WIMS, drivers' hours, etc by 2010/11

S.2.02 Increase industry skill/competence/knowledge on road safety through a combination of training, provision of information and working with other stakeholders by 2009/10

S.3.08 Maintain industry skill/competence/knowledge on road safety through a combination of training, provision of information and working with other stakeholders (e.g. with DSA on continuous professional development) by 2009/10

EC.2.01 Develop proposition for VOSA in helping to achieve a level playing field for UK operators by 2008/09

information in (New Car NCAP) example)

EC.1.02 Deliver real-terms cost reductions for operators associated with testing by 2007/08

CS.1.01 Improve efficiency of service transactions through delivery of an e-services programme for the commercial and business sectors by 2008

CS.1.03 Develop a range of new products and services by customer segment by 2006/07

VFM.1.01 Achieve VOSA value for money targets

S.3.01 Provide more effective testing for commercial vehicles and at Vehicle Testing Stations in the next 1-3 years by 2007/08

CS.1.02 Maintain or improve customer satisfaction against 2004 levels by 2006/07

Excellent service delivery
Achieving excellent customer satisfaction while delivering better value for money services



Glossary

ADR	International arrangement for the carriage of dangerous goods	MSVA	Motorcycle Single Vehicle Approval scheme
AE	Authorised Examiner	NAPTAN	National Passenger Transport Access Nodes (database)
ANPR	Automatic Number Plate Recognition	NT	Nominated Tester
AUTOFORE	Study on the Future Options of Roadworthiness in the European Union	OCRS	Operator Compliance Risk Score
CCIS	Co-operative Crash Injury Study	OSS	Operator Self-Service
CCP	Commercial Customer Programme	PCE	Post-Collision Examination
CCPR	Climate Change Programme Review	PSA	Public Service Agreement
CITA	Comité International de l'Inspection Technique Automobile	PSG	Professional Skills in Government
COIF	Certificate of Initial Fitness	PSV	Public Service Vehicle
CORTE	Confederation of Organisations in Road Transport Enforcement	PtS	Power to Stop
DfT	Department for Transport	RIU	Regional Intelligence Unit
DSA	Driving Standards Agency	ROSEP	Road Safety Enforcement Training Programme
DVLA	Driver and Vehicle Licensing Agency	SAU	Strategic Analysis Unit
DVO	Driver, Vehicle and Operator Group	SVA	Single Vehicle Approval scheme
ECR	Euro-Contrôle-Route	T&S	Travel and Subsistence
ESVA	Enhanced Single Vehicle Approval scheme	TAO	Traffic Area Office
EU	European Union	TCIS	Truck Crash Injury Study
GFP	Graduated Fixed Penalties	TCs	Traffic Commissioners
HA	Highways Agency	TE	Traffic Examiner
HGV	Heavy Goods Vehicle	TEMPO	Scheme for approving certain PSVs (mostly coaches) to travel at higher speeds on some roads in Germany and France
HSE	Health and Safety Executive	TIR	International arrangement for the carriage of goods sealed for Customs purposes
ICT	Information Communications Technology	TRL	Transport Research Laboratory
IDELSY	Initiative for Diagnosis of Electronic Systems	TXC	TransXchange
iip	Investors in People	VCA	Vehicle Certification Agency
KSI	Killed or Seriously Injured	VE	Vehicle Examiner
LGV	Light Goods Vehicle	VERONICA	Vehicle Event Recording based on Intelligent Crash Assessment
LEZ	Low Emission Zone (London)	VfM	Value for Money
MCD	Mobile Compliance Device	VIC	Vehicle Identity Check
MORI	Market and Opinion Research International	WIMS	Weigh in Motion Sensor
MOT	Annual statutory test for cars and motorcycles		