



Driver & Vehicle  
Licensing  
Agency

# Business Plan >

Driver & Vehicle Licensing Agency

2017  
to 2018

Simpler | Better | Safer

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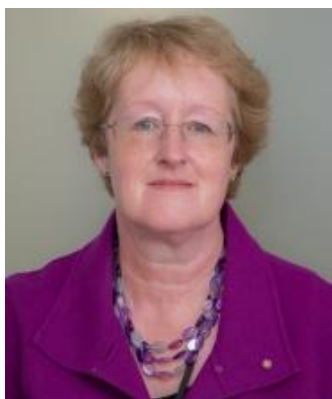
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# Non-Executive Chair's introduction

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Welcome to our Business Plan for 2017-18, which sets out our key performance measures and financial forecasts for the year.

This is my third Business Plan as Non-Executive Chair of the agency. Over the last 3 years, DVLA's Board has been pleased to see significant changes and successes that have made DVLA an exemplar organisation in delivering innovative digital services and excellent customer service.

In 2016, DVLA won 2 major awards at the prestigious Digital Leaders 100 awards. The awards honour the highest achievements from the year, celebrating teams and individuals from both the private and public sectors who are blazing a trail in the digital space.

These achievements would not have been possible without the talents and hard work of our staff. DVLA employs over 5,400 staff at its Swansea offices. Our aim is to attract, select and retain great people with the right attitude, behaviours and skills required to deliver and continuously improve our services.

As part of the in-sourcing of our IT function, we have transferred technical staff with the necessary skills from the private sector into the civil service. We have also recruited additional staff with the necessary skills and expertise to deliver our [Strategic Plan 2017-20](#).

In 2017-18 we will continue to work on recruiting and retaining the people we need, adopting flexible approaches to attracting different professions, generations and diversity groups and promoting DVLA as a great place to work. As part of this, the agency works with local schools, colleges, universities and support agencies to offer a range of flexible work experience opportunities. We also offer Placement Programmes, which will continue to focus on assisting individuals who may face barriers to employment, including disability and long-term unemployment. In addition, we will continue our focus on gender equality at all levels of DVLA, increasing the number of staff from a black, Asian, minority and ethnic background.

The [DVLA Strategic Plan 2017-20](#) and this Business Plan have been carefully developed and considered by the Agency Board. Together with the other independent Non-Executive Directors, my role has been to provide external advice and expertise, together with independent constructive challenge. Having done so, I commend this Plan to you and look forward to another exciting year ahead.

A handwritten signature in black ink, which appears to read 'L. Cowley'.

Lesley Cowley OBE  
Non-Executive Chair  
March 2017

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# Chief Executive's foreword

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The last year has been one of great achievements and significant change here at DVLA. We have implemented our Strategic Plan 2014-17 and we are now in a strong position to deliver this Business Plan along with the first year of our [Strategic Plan 2017-20](#).

Just as before, our goal is to get the right drivers and vehicles taxed and on the road, as simply, safely and efficiently as possible. We are relentless about improving our services, offering more services online and making them easier for the public to use.

Over the next 3 years we will be moving our business and technology to more agile and cloud-based services. In 2017-18 we will be undertaking a major restructuring of our IT services to deliver a fit-for-purpose organisation that is capable of delivering our IT

Strategy. This will allow DVLA to become a hub for digital motoring, serving the public and business alike with dynamic operations and technology.

One of our core responsibilities is to collect vehicle excise duty (VED) on behalf of Her Majesty's Treasury. DVLA has a robust enforcement regime in place and together with the police and local authorities, we will continue to enforce against those who do not pay their vehicle tax. The 2015 Roadside Survey estimated a compliance rate of 98.6% which means the vast majority of motorists pay their VED. Despite levels of compliance remaining high, DVLA's long-term priority is to bring VED evasion down further.

Britain has some of the safest roads in the world and our driver licensing rules play an important part in keeping our roads safe. DVLA's drivers medical department currently deals with over 700,000 medical cases each year. 90% of drivers that notify DVLA of a medical condition are issued with a driving licence.

In 2016, the agency launched a new online service for customers who hold a car or motorcycle driving licence to tell DVLA that they have a certain medical conditions. We also invested in additional resource to improve turnaround times on all decisions on a driver's fitness to drive. During the year, we will continue our focus on recruiting further medical professionals and introduce clinical nurses to support the team of doctors and caseworkers.

Our staff are core to the success of DVLA and delivery of our services. We will continue to invest in innovation and the development of staff to make this a great place to work, proudly serving the UK from Swansea.

I look forward to the challenges ahead.

A handwritten signature in black ink, consisting of a stylized, cursive 'O' followed by a long horizontal line that ends in a small dot.

Oliver Morley CBE  
DVLA Chief Executive and Accounting Officer  
March 2017

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# 01 Who we are and what we do

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## Driver and Vehicle Licensing Agency

- 1.1 The Driver and Vehicle Licensing Agency (DVLA) is an executive agency of the Department for Transport (DfT).
- 1.2 Our core responsibilities are to maintain over 45 million driver records and over 39 million vehicle records and collect around £6 billion a year in Vehicle Excise Duty (VED).

Our goal is to get the right drivers and vehicles taxed and on the road, as simply, safely and efficiently as possible

## DfT motoring services commitments

- 1.3 In November 2015, the Department for Transport published the [motoring services strategy consultation](#), to seek views on how the motoring services agencies DVLA, Driver and Vehicle Standards Agency (DVSA) and Vehicle Certification Agency (VCA), continue to offer efficient services to ensure that customers are at the heart of all they do. The results of the consultation were published in April 2016.
- 1.4 [DVLA's Strategic Plan 2017-20](#) sets out our plans to deliver the motoring services commitments.

## Our Strategic Plan 2017-20

- 1.5 We have successfully implemented our Strategic Plan 2014-17 and are now in a strong position to start to deliver our new [Strategic Plan 2017-20](#).
- 1.6 To take forward our Strategic Plan 2017-20, we need a single strategy that unites business, digital and technology. The 5 key principles to delivering our strategy are:
  - Dynamic technology and services – over the next 3 years, we will move to more agile and cloud based services.
  - Hub for digital motoring – we will build new infrastructures to provide a hub for motoring services.
  - Unrivalled safety, security and compliance – we will continue to make compliance with the law simple and easy, focusing on reducing VED evasion. We will continue to deliver safe and easy services including online processes for notifying a medical condition.
  - Best in-class customer services – we will continue to provide excellent customer services providing both digital and alternative service channels.
  - Modern workplace and skills – we will create a state-of-the-art, modern workplace, so that staff can work in an environment where they have the training, skills and capabilities they need.

## How we manage our agency

- 1.7** DVLA works within a framework which sets out its governance, accountability, key relationships and financial management arrangements. The core of its management is the DVLA Board consisting of a Non-Executive Chair, Chief Executive and Accounting Officer, 3 Non-Executive Directors and 6 Executive Directors. For more information about DVLA's Board and its members visit our [website](#).
- 1.8** DVLA's Audit and Risk Committee has formally agreed terms of reference which are reviewed on an annual basis. The Committee provides advice and support to the Chief Executive in delivering his Accounting Officer role for the agency.
- 1.9** The Audit and Risk Committee comprises of 3 Non-Executive Directors and 2 independent members who are senior civil servants in DfT and the Department for Work and Pensions.
- 1.10** For more information about DVLA governance see our Governance Statement in our [Annual Report & Accounts](#)

## GB exit from the European Union

- 1.11** The Government has made it very clear the UK will leave the European Union. Ensuring that new arrangements work and are effective is a crucial priority for the Government. It has also said that, upon exit, EU law will be converted into UK law. This will include some EU legislation that governs functions managed by DVLA. The agency is also likely to have an important role in helping implement new systems and processes that will need to be in place. The agency will therefore work closely with partners in Whitehall to ensure that the functions and processes for vehicle and driver licensing operate efficiently after we leave the EU. This may involve additional requirements during the year and the agency will make sure that the necessary policy and delivery resources are identified in order to deliver any new systems and legislation.

## Purpose of this Business Plan

- 1.12** Our Business Plan sets out our key performance measures for the coming year and provides a framework to ensure that the necessary finance and resources are available to deliver our [Strategic Plan 2017-20](#).

# 02

## Plans for 2017-18

Strategic goals	DVLA measure	2017-18
1. Dynamic technology and services	1.1 IT Transformation: <ul style="list-style-type: none"> <li>• implement the new Information Technology Services organisation structures</li> <li>• approve and start work on the business cases for the second phase of the IT and business service transformation</li> </ul>	September 2017
	1.2 Introduce a new online system for motor manufacturers and dealers to first register a vehicle	July 2017
	1.3 Migrate users onto the new first registration system which will enable de-commissioning of the existing Automated First Registration and Licensing (AFRL) system	March 2018
	1.4 Rebuild the tachograph and tachonet services onto an open services landscape, which will enable decommissioning of the existing service and the introduction of a new tacho web service in 2018-19	March 2018
2. Hub for digital motoring	2.1 Develop and administer a web portal to facilitate cross-government incentivised grant schemes for the Office for Low Emission Vehicles (OLEV)	July 2017
	2.2 Develop a <a href="#">private beta</a> to allow a driver to give consent to access their driver record from their mobile device	September 2017
	2.3 We will take over contract management of the Blue Badge Scheme from DfT	June 2017
	2.4 Our total digital and automated interactions at March 2018 will exceed	90%
3. Unrivalled safety, security and compliance	3.1 Increase the range of penalty payments that can be paid online	March 2018
	3.2 Increase the number of cases going through the Single Justice Process (SJP) against the 2016-17 outturn, by being an early adopter of changing processes for Her Majesty's Courts and Tribunal Service (HMCTS)	15%
	3.3 No immediate increase in VED evasion against the 2015 Roadside Survey of 1.4%	November 2017
	3.4 To conclude medical cases and make a licensing decision within 90 working days.	90%



Strategic goals	DVLA measure	2017-18
4. Best-in-class customer service	4.1 We will maintain the Customer Service Excellence standard	Retain standard
	4.2 We will maintain the Customer Contact Association Global Standard 6	
	4.3 Customer satisfaction – maintain or improve our customer satisfaction for these key services:	95%
	• I want to tax my vehicle	90%
	• I want to amend my vehicle registration document	93%
	• I want to renew my driving licence	83%
	• I want to notify DVLA of a medical condition that might affect my driving	
	4.4 Customer complaints – reduce the number of cases that the Parliamentary and Health Service Ombudsman (PHSO) and Independent Complaints Advisor (ICA) uphold in favour of the customer, against the 2016-17 baseline	10%
	4.5 IT resilience – to provide planned customer availability of vehicle tax, vehicle management, personalised registration and driver licensing online services	99.5% availability
	4.6 To despatch a:	95% of cases
	• driving licence in 5 working days	
	• vocational driving licence in 5 working days	
• digital tachograph in 5 working days		
• vehicle registration certificate in 5 working days		
4.7 To answer calls queued to an advisor in 5 minutes	95% of cases	
4.8 Freedom of Information Act – provide a response within 20 working days	93%	
4.9 Parliamentary questions – provide a response by due date	100%	
4.10 Ministerial correspondence – provide a response within 8 working days	100%	
4.11 Official correspondence – provide a response within 20 working days	80%	
4.12 Prompt payments – payment of invoices within 5 working days	80%	
5. Financial responsibilities	5.1 Expenditure on VED collection and enforcement does not exceed	£120 million
	5.2 Headcount – by March 2018 DVLA full time equivalents will number fewer than	5,344
	5.3 Sick absence – reduce the number of working days lost (by full time equivalents) due to sickness by 0.2 against the 2016-17 baseline and work towards the DfT target of not exceeding 7 days	March 2018

# Dynamic technology and services

- 2.1** DVLA has an established track record for delivering award-winning digital services to its customers. The agency is a trusted brand that provides assurance, transparency and efficiency to deliver the requirements of DfT and central government.

## DVLA IT transformation and services

- 2.2** In September 2015, we successfully completed the in-sourcing of our IT function, exiting our long-standing commercial contracts for IT development and support and regaining control of our technology estate.
- 2.3** Since that time, technical staff have transferred in from the private sector and we have recruited additional staff with the necessary skills and expertise to deliver our strategic plan. We have also recruited a new Chief Technology Officer to the Executive Board, re-branded the in-house team as Information Technology Services (ITS) and in November 2016, developed our IT Strategy. This strategy sets out our ambitions for continuously developing our IT, processes and people and enhancing our in-house capability to remain best-in-class at delivering modern government digital services.
- 2.4** Our technology transformation agenda goes beyond improving the services we offer to our customers. Our IT Strategy outlines the key drivers to:
- move the majority of our current IT systems onto a new systems platform in 3 years, using cloud and agile services that will respond more efficiently and effectively to both regulatory change and customer demand
  - ensure that we meet our Information and Communications Technology (ICT) spend to deliver our commitments to the [Spending Review 15](#), balancing our running costs to deliver our strategic plan
  - protect our customers' personal data with exemplar levels of security.
- 2.5** We are currently undertaking a major restructuring of our IT services to deliver a flexible organisation that is capable of delivering our IT Strategy. Our focus will be on operating efficiently and maximising our adoption of modern commodity ICT services to reduce our operating costs.
- 2.6** Our organisation design will be optimised to deliver migration from our legacy ICT platforms. We will work closely with the business to ensure that digital thinking and innovation are at the heart of IT and business transformation.
- 2.7** As part of the DfT family, we are committed to sharing best practice and working together to maximise opportunities for technology convergence and wider efficiencies.

## First register a vehicle online service

- 2.8** DVLA's Automated First Registration & Licensing (AFRL) service is used by approved motor manufacturers and motor retailers to register and tax vehicles for the first time. Customers can then use their vehicle on the road legally. The AFRL web service electronically processes around 95% of vehicle registrations, equating to about 3.2 million transactions in 2016-17.
- 2.9** The AFRL scheme is supported by a strong working relationship with the motor industry and the Society of Motor Manufacturers and Traders (SMMT). It is subject to a contracted arrangement with the manufacturer or dealer and outlines a trusted partner relationship.
- 2.10** In July 2017 we will be introducing a new IT system designed around user needs. The new system will transform the technology that supports vehicle registration services. This will make them more responsive and easier to change, establishing the pattern for the future migration of other vehicles services from DVLA's current IT platform. Changes to the service will support increased digital take-up and remove current barriers preventing customers from using the current service.
- 2.11** During the year we will migrate users onto the new system which will allow us to de-commission the old system.

## New tachograph and tachonet service

- 2.12** DVLA is the UK tachonet provider. The tachonet network acts as a central hub for exchanging information between EU member states responsible for issuing [tachographs](#) (in-vehicle recording equipment) to enforce rest periods and monitor the driving times of professional drivers.
- 2.13** To comply with EU regulations, DVLA will be making technical changes to the tachonet system by 2 March 2018.
- 2.14** In addition to this, we will be reviewing the tachocard service. These changes will give us the opportunity to introduce a new web-based service for tachocard users.

## Hub for digital motoring

**2.15** DVLA aims to become a hub for digital motoring. Our registers provide crucial service to a wide range of customers, in both the public and private sectors. Our goal is to expand our services, introducing new digital links and web-based channels.

**2.16** In 2017-18 we will continue to improve and build on our services by working with our customers and stakeholders to make sure that our services meet their needs.

We will:

- develop an infrastructure that is more flexible and scalable
- introduce more digital channels to replace paper channels where possible
- make our services easier for customers to use
- make our services more efficient, saving money for the taxpayer
- remove barriers to make it easier for customers to comply with their legal responsibilities
- build new Application Programming Interface (API) links to allow business and government to develop new services on top of ours, fully controlled under data protection legislation.

## Cross-government working

**2.17** The Office for Low Emission Vehicles (OLEV) at DfT, works across government to support the early market for ultra-low emission vehicles (ULEV). DfT is managing the funding of over £900 million to position the UK at the global forefront of ULEV development, manufacture and use. This will contribute to economic growth and will help reduce greenhouse gas emissions and air pollution on our roads.

**2.18** OLEV has chosen DVLA to develop a single web portal to support 3 grant schemes, 2 of which are new initiatives. DVLA already provides an operational service in support of the electric vehicles home charge scheme (EVHCS) and DVLA's experience in building web portals has put the agency in an ideal position to help OLEV.

**2.19** The new web portal will support grant applications for an enhanced EVHCS, the Plug-in Car Grant Scheme and a new Workplace Charge Scheme.

**2.20** The main aim of these incentive schemes is to encourage take-up of the ULEV market across the UK. The effectiveness of the web services will contribute to the take-up of these schemes.

## Blue Badge scheme

**2.21** In June 2017, DVLA will take over the contract management role for the Blue Badge scheme from DfT. The Blue Badge scheme helps those with mobility problems who have difficulty using public transport to park close to where they need to go. The management of the contract will continue until 31 December 2018.

**2.22** During the term of the contract, we will ensure that:

- the current supplier delivers products and services in accordance with the contract and establishes an agreed Contract Management Plan

- performance against the contract is measured in line with agreed service levels and reported to DfT on a monthly basis.
- opportunities for efficiency gains are considered as part of continuous improvement
- we capture and manage commercial risks that impact the contract, escalating where necessary within the governance structure
- benefits of this are contributing to the motoring services strategy and [DfT commitments](#).

## Digital licence service

- 2.23** During 2017-18 we will be developing a quick, easy and secure service to allow customers to view a representation of their driving licence on their smartphone.
- 2.24** The driver will be in control of their data and this can be used to share and validate driver information with trusted third parties through a secure website. This service will not replace the full driving licence.
- 2.25** The digital licence service will only be available to driving licence holders who have authenticated themselves on [GOV.UK Verify](#) through the existing [View Driving Licence](#) service. This service will be available 24/7, wherever the driver has a web connection.
- 2.26** We will develop a [private beta](#) service by September 2017.

## Unrivalled safety, security and compliance

- 2.27** DVLA provides excellent services securely and quickly to those who choose to use them. Compliance by members of the public to meet their statutory requirements is high and we will continue to introduce new services to ensure that we make it even easier for customers to comply with the law.

## Online penalty payments

- 2.28** In 2016, we introduced a new service to pay vehicle fines online.
- 2.29** By March 2018, we will be increasing the range of penalties payable through our online service. Customers will be able to pay fines relating to:
- driving an unlicensed vehicle on road
  - recovery of failed payments to DVLA (direct debit, returned cheques and indemnity claims)
  - continuous insurance enforcement offences.
- 2.30** The new service will give customers the opportunity to pay their penalties quicker and more conveniently online instead of a phone call or postal application.
- 2.31** Widening the range of penalties available online will increase the amount of revenue collected. This service will also make it easier for customers to pay their penalties promptly and provide further information on what they need to do to become compliant.

## Single justice process

- 2.32** The Single Justice Procedure (SJP) is part of the government's programme of reforms to the criminal justice system in England and Wales to make it simpler, faster and more proportionate and ensure that we make the best use of magistrates' time in court so they can focus on cases which have the biggest impact on their communities. The new procedure applies to cases involving adults charged with summary-only non-imprisonable offences where a guilty plea is received or where the defendant fails to respond. The case is dealt with by a single magistrate, sitting with a legal adviser, without the attendance of either a prosecutor or defendant outside of the traditional courtroom setting.
- 2.33** DVLA has been an early adopter of this change in process and has been successfully working with Her Majesty's Courts and Tribunal Service (HMCTS) as part of the SJP programme. In 2017-18, we will continue to work with HMCTS to:
- make the process simpler, faster and more proportionate
  - ensure that the best use of magistrates' court time is made so they can focus on cases which have the biggest impact on the community.
- 2.34** In 2017-18 we will increase the number of cases going through the SJP improving overall efficiency and reducing cost.
- 2.35** As part of DVLA's enforcement strategy, we are looking at providing electronic links to HMCTS to improve and streamline the process.

## Drivers medical

- 2.36** In 2016-17, DVLA invested in additional resource to improve turnaround times on all decisions on a driver's fitness to drive. The agency also launched a new online service for customers who hold a car or motorcycle driving licence to tell DVLA that they have a certain medical condition. Customers can also use the service to re-apply for their driving licence. This year we will increase awareness about this service to encourage eligible customers to move away from the paper channel to the online service.
- 2.37** During the year, we will continue our focus on recruiting further medical professionals who will work on our most complex cases. Complex cases frequently involve a driving licence holder who has more than one medical condition. These cases are assessed by doctors who are trained in assessing fitness to drive. We will also introduce nurses with a minimum of 10 years general clinical experience to support the team of doctors and caseworkers who make decisions on up to 700,000 cases each year. 90% of drivers that notify DVLA of a medical condition are issued with a driving licence.
- 2.38** The agency will continue to work with the General Medical Council (GMC), various charities representing patient groups as well as the haulage industry to improve communications regarding all elements of assessing fitness to drive.

## VED reform

- 2.39** In the summer [Budget 2015](#), the Chancellor announced that the government would be introducing new Vehicle Excise Duty (VED) rates from April 2017.
- 2.40** The way vehicle tax is calculated will change for cars and some motor homes that are first registered with DVLA from 1 April 2017. The reform will also ensure that those who can afford a premium vehicle pay more.
- 2.41** DVLA is committed to digital transformation, removing reliance on large-scale, single IT contracts and developing its in-house capability. Significant progress has already been made by working closely with industry to prepare for the new VED. This is complemented by the reform and enhancement of the first registration service used by motor manufacturers and retailers when registering vehicles for the first time.

## VED evasion

- 2.42** DVLA has a robust enforcement regime in place and together with the police and local authorities, we will continue to enforce against those who do not pay their vehicle tax.
- 2.43** The 2015 Roadside Survey estimated a compliance rate of 98.6% which means the vast majority of motorists pay their vehicle excise duty (VED). The agency collects over £6 billion in excise duty each year. However, it is estimated that VED evasion may result in around £80 million lost revenue for Her Majesty's Treasury.
- 2.44** Despite levels of compliance remaining high, DVLA's long-term priority is to bring VED evasion down further. Our aim is to restrict evasion to current levels with no immediate increase to evasion recorded at the 2017 Roadside Survey.
- 2.45** Our strategy is to support ongoing customer compliance by making it as easy to tax as possible. We will do this by increasing use of our award-winning online tax service and allowing customers to spread payments by direct debit. Where motorists become non-compliant, we will make it as easy as possible for them to comply. We will support our efforts by being robust against those who evade through an effective, streamlined and increasingly digital enforcement process.
- 2.46** Overall our approach will be open, flexible and bold. Our aim is to provide the very best services to our customers and stakeholders, delivering effective and fair enforcement as well as value for money for the taxpayer.

## Best-in-class customer services

**2.47** Customers are at the heart of what we do. We will continue to improve our services, offering more service channels and making our services simpler and easier for customers to use. We continue to benchmark ourselves against the 'best in class' of similar scale organisations in the public and private sectors.

**2.48** DVLA has a large customer base. Our customers include:

- individual motorists
- commercial customers
- motoring industry
- police and courts
- other government departments
- private sector organisations
- medical practitioners and health providers.

**2.49** Each customer requires a different service from us and we tailor our services accordingly.

**2.50** We have built up an established network of groups and forums across our customer base with strong relationships that deliver the requirements of our members. We will continue to strengthen our relationships in 2017-18 so that our customers can be part of our journey to deliver our strategic plan.

**2.51** DVLA has held the Customer Service Excellence standard since 2008. We pride ourselves on our commitment to our customers and the continuous achievement of this standard. We aim to achieve re-accreditation in 2017-18.

**2.52** Customer satisfaction of DVLA services is high, with over 93% of customers satisfied with the service we provide. Our service is measured against other public service organisations through the independent body [Institute of Customer Service](#) (ICS). Customers are asked to rate their experience of individual organisations they have dealt with using a series of metrics. These cover professionalism, quality and efficiency, ease of doing business, timeliness, problem solving and complaint handling as well as attitudes towards trust and reputation.

**2.53** DVLA has been a company partner of the [Market Research Society](#) (MRS) for the last 2 years. This provides customers with the assurance that the agency is delivering to industry best practice and provides the agency with expert advice from MRS. During the year we will continue to work in line with the MRS Code of Conduct using the appropriate regulations and process for handling customer data as well as delivering [research](#).



**2.54** In 2017-18 we will have a planned comprehensive research programme which includes research and interactive design on:

- VED reform
- VED evasion
- fitness to drive
- tachographs
- customer behaviour and trends
- customer experience.

### **DVLA's contact centre**

**2.55** DVLA's contact centre has successfully retained the Customer Contact Association Global Standard 6. In 2017-18, we will undertake a full reaccreditation against achieving this standard.

**2.56** In 2016-17, our contact centre launched their new web chat service for some of our key services. The service has been a huge success with customers. It gives them the opportunity to communicate with the agency online and in some cases complete their enquiry without us needing to access the customer's record.

**2.57** The web chat service allows the customer to provide instant feedback on their experience with around 93% of customers satisfied with the service.

**2.58** In 2017-18, we will continue to modernise the contact centre. We will roll out our web chat to more services and use speech analytics technology to increase quality of service and identify improvements to the services we offer. Our multi-channelled contact centre (telephone, email, web chat and social media) will be fully integrated improving first contact resolution to the customer.

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# 03 Delivering the plan

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## Finance and efficiency

- 3.1** DVLA aims to provide excellent services in a way that represents value for money to our customers. We deliver this by minimising expenditure whilst maintaining or improving customer service, with cost savings passed on to customers and stakeholders. This will be the second year of our commitment to reduce spending further, as part of the [Spending Review 2015](#).
- 3.2** The Spending Review 2015 will carry us forward to 2020. It is efficiency driven with the aim being to make a 34% reduction in our resource budget by 2020.
- 3.3** To date we have reduced expenditure against the target by:
- realising the benefits of moving away from a large IT contract and bringing IT services in-house – these include removing over 60% of our hardware/software contracts and challenging contractor rates to drive savings
  - introducing new online services and increasing take-up of existing services
  - reducing consumables costs due to the full year impact of initiatives such as the abolition of the tax disc and direct debit, which has enabled customers to automatically renew their vehicle tax.
- 3.4** Further efficiencies will be achieved over the review period by:
- restructuring our IT services to create leaner, more effective operations whilst continuing to deliver change at pace
  - producing further contract efficiencies to achieve a target of 5% reduction in future contract renewals
  - enabling more efficient and customer-centric transactions such as increasing the range of penalty payments that can be paid online
  - realising the benefits of initiatives such as contact centre modernisation and business service transformation.
- 3.5** We will also encourage economic growth by helping other government departments to make efficiency savings by offering our services to them at cost-effective rates.

## Modern workplace and skills

**3.6** DVLA aims to create a modern workplace and environment where staff can continue to provide a high standard of work with the training, skills and capabilities they need.

**3.7** Our focus is on creating a working environment (people, management, processes, systems, tools and estate) which supports [civil service values](#) and behaviours.

**3.8** We will continue to review our policies and practices, physical estate, communications, IT and others tools. We will do this to explore how they may need to change and integrate to create a modern and professional workplace.

**3.9** We want to make our staff feel valued as diverse individuals and create an exciting environment, encouraging teamwork and innovation. It is important that we provide flexibility, reliability and openness to meet the needs of our staff.

**3.10** The agency is one of the biggest employers in South Wales currently employing 5,497 staff in Swansea. During the next 3 years, we expect our headcount to gradually reduce as we introduce more online services and make our processes more efficient.

**3.11** DVLA aims to attract, select and retain great people with the right attitude, behaviours and skills to deliver and continuously improve its services. We will continue to develop our recruitment and workforce planning approach to attract and retain the kind of people who can help make DVLA more successful.

**3.12** During the year we will:

- continue to work on recruiting and retaining the people we need, adopting flexible approaches to attract different professions, generations and diversity groups, promoting DVLA as a great place to work
- support the recruitment of new staff – we will increase attendance at job and school fairs, providing interview and application advice
- expand our range of selection techniques based on CVs and situations
- continue to increase the diversity of our workforce to reflect the customers and community we serve
- continue our focus on gender equality at all levels of DVLA and increasing the numbers of staff from a black, Asian, minority and ethnic background
- deliver a range of diversity and inclusion educational activities with a focus on disability and transgender.

## Training and development

**3.13** The agency will deliver a range of training, development and talent management programmes across the organisation throughout 2017-18. These will include:

- operational delivery leadership development programme for grades Executive Officer to Grade 6
- senior leader and front line manager learning – to enhance current capability across the organisation
- a new corporate induction programme
- providing support to staff from under-represented groups and encouraging participation in Civil Service-wide positive action schemes, such as Positive Action Pathways and Crossing Thresholds
- DVLA work placement programmes – linking schools, colleges, universities and support agencies to offer a range of flexible work experience opportunities – placement programmes will continue to focus on helping individuals who may face barriers to employment, including disability and long-term unemployment
- apprenticeship programmes – the agency will continue to build effective relationships with work-based learners and the Welsh Consortium to provide apprenticeships at all levels.

## Managing performance

**3.14** The agency will be piloting a new performance management process during 2017-18. The current twice yearly assessments (at mid and end of year) will be replaced with on-going monthly assessments. These monthly assessment discussions will focus on continuous improvement and personal development.

**3.15** During the year the agency will concentrate on reducing the number of days lost due to sick absence levels by 0.2 days against the 2016-17 baseline. We will continue to monitor trends and use the data to inform where we will focus our efforts. To ensure continuous improvement, we will follow the agency attendance plan for all aspects of attendance including prevention, management and rehabilitation.

**3.16** We want to create a workplace where we both protect the health and wellbeing of staff and encourage them to take ownership of improving their own health and wellbeing.

**3.17** We will continue to provide comprehensive occupational health and employee assistance programmes. We will ensure that managers are fully equipped to deal with all attendance management issues and return to work adjustments for staff when required.

## Flexible working pilots

- 3.18** DVLA is piloting new flexible working conditions, compatible with the needs of a modern workplace and workforce. Its aim is to improve organisational impact and maximise performance through building more autonomy and accountability into the employee and employer relationship.
- 3.19** The benefit for the employer is a more engaged, focused, agile, loyal, creative, effective and committed workforce. The benefit for the employee is that they are clear about their responsibilities and accountabilities and have more control over their time and how they manage their work within an agreed period. This makes it easier to manage responsibilities within and outside of work and to create a better work life balance.
- 3.20** The pilots will run for up to 6 months, during which time we will evaluate measures of success. We will then decide whether or not to extend the availability of this way of working across the agency.

## Social responsibility

- 3.21** DVLA is committed to active corporate social responsibility. We will continue to develop initiatives where the agency might help empower and benefit Welsh communities and individuals.
- 3.22** The role will look to build partnerships with civic society groups and leaders. This will identify opportunities where DVLA can use its assets and the skills of our employees to help areas of the community that need support. This will also help provide our workforce with the talent required to meet our current and future needs.
- 3.23** In 2016, staff raised over £70,000 for the Alzheimer's Society Wales. The charity of choice is chosen by our employees which brings a great level of collaboration and engagement activities across DVLA. We are proud to support Mind as our charity of choice this year. Mind provide advice and support to empower anyone experiencing a mental health problem.

## DVLA sustainability

**3.24** DVLA continues to ensure that it acts responsibly in the way it undertakes its business and find ways to improve its environmental and social impacts.

**3.25** The digital transformation agenda has a direct and intrinsic link to our sustainable performance. It gives us opportunities to make improvements in all 3 pillars of sustainable development, economic, environmental and social. We have already substantially reduced the amount of paper we use by putting more of our services online. Bringing our IT in-house will provide us with further opportunities to:

- address some of the energy impacts of our technology, improving our environmental impacts
- up-skill our staff and recruit new talent, enabling us to invest in the people within the local area.

**3.26** In 2017-18 we will:

- achieve a further 2% reduction in our greenhouse gas emissions (an overall target of a 36% reduction by 2020) against the 2009-10 baseline
- maintain a reduction in waste generated at 52% against our 2009-10 baseline and continue to send no more than 10% of our waste to landfill
- maintain our reduction of domestic business travel flights of more than 90% from the 2009-10 baseline
- maintain a reduction in paper use of more than 60% from the 2009-10 baseline
- start work on our actions in the DfT Sustainable Procurement Strategy 2016-20.
- publish in our Annual Report & Accounts 2016-17, the steps we are taking to address climate change adaptation, biodiversity and the natural environment, food and catering services procurement and sustainable construction.

**3.27** During 2017-18 we will also produce our next 3 year sustainability strategy. This will provide more detail on what we are doing to improve the sustainability of our business. It will demonstrate how our sustainability strategy is integrated into corporate strategy and show the financial impacts.

# Annex A

Financial forecast	Forecast Outturn 2016-17 £ million	Business Plan 2017-18 £ million
Statutory fee income	429	429
Commercial fee income	105	96
Other income	10	10
<b>Total income</b>	<b>544</b>	<b>535</b>
Staff costs	177	182
Contingent labour	2	1
Agents' fees	74	76
ICT charges	95	77
Accommodation	25	26
Consultancy and professional services	3	2
Postage and printing	40	43
Depreciation	29	25
Other costs	17	22
<b>Total expenditure</b>	<b>462</b>	<b>454</b>
<b>Net operating surplus</b>	<b>82</b>	<b>81</b>
Resource DEL	104	98
AME	(3)	(2)
<b>Total Resource and AME</b>	<b>101</b>	<b>96</b>
<b>Capital</b>	<b>9</b>	<b>13</b>

## Statement of financial position

Forecast Outturn  
2016-17  
£ million

Business Plan  
2017-18  
£ million

<b>Non-current assets</b>		
Property, plant and equipment	63	61
Intangible assets	26	16
Trade and other receivables due after more than one year	0	0
<b>Total non-current assets</b>	<b>89</b>	<b>77</b>
<b>Current assets</b>		
Trade and other receivables	31	31
Cash and cash equivalents	32	39
<b>Total current assets</b>	<b>63</b>	<b>70</b>
<b>Total assets</b>	<b>152</b>	<b>147</b>
<b>Total liabilities</b>	<b>(66)</b>	<b>(65)</b>
<b>Total assets less current liabilities</b>	<b>86</b>	<b>82</b>
<b>Non-current liabilities</b>	<b>(33)</b>	<b>(29)</b>
<b>Assets less liabilities</b>	<b>53</b>	<b>53</b>
<b>Taxpayers' equity</b>		
General fund	3	3
Revaluation reserve	50	50
<b>Total taxpayers' equity</b>	<b>53</b>	<b>53</b>



# Annex B

<b>Volume forecast</b>	<b>2016-17 Outturn (000's)</b>	<b>2017-18 Forecast (000's)</b>
I want to register a vehicle	3,362	3,328
I want to tax my vehicle	47,783	47,591
I want to notify DVLA of SORN	3,584	3,503
I want to notify DVLA that I have acquired or disposed of a vehicle	8,687	10,123
I want to request a vehicle registration certificate	1,415	1,479
I want to amend my vehicle registration details	10,890	9,337
I want a provisional driving licence	1,145	1,157
I want to amend my driving licence details	2,943	2,978
I want to exchange my GB driving licence	136	134
I want to renew my driving licence	4,103	4,105
I want to replace my driving licence	836	815
I want a digital tachograph card	61	67
I want to renew a digital tachograph card	175	202
I want to enquire on my driver details	15,559	15,799
I want to enquire on my vehicle details	572,921	551,709
You want to enquire on a driver's details	20,791	28,158
You want to enquire on a vehicle details	6,962	6,782

**Volume forecast****2016-17  
Outturn  
(000's)****2017-18  
Forecast  
(000's)**

I want to buy a personalised vehicle registration number	371	345
I want to assign a vehicle registration number to a vehicle	822	791
I want to retain a personalised registration number	789	835
I want to transfer a vehicle registration number	107	108
I want to know how to do something	16,297	15,355
Cross-government services	15,600	1,259



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Until 2019