



Driving
Standards
Agency

Business plan 2013-14 and 2014-15

This plan sets out the measures, outcomes and important programmes that the Driving Standards Agency aims to deliver during 2013-14 and 2014-15.

April 2013

Contents	Page
Chief Executive Message	3
1. Who we are and what we do	
Our vision and key purpose	4
How we manage our business	5
2. How the agency is changing	
Our strategic direction	6
DSA change portfolio	7
Policy development	7
Joined up working across government	7
3. Our plans for 2013-14 and 2014-15	
DSA Performance Measures	8
4. Supporting delivery of our plan	
Information Services	9
Test Demand and Planned Throughput	12
Financial Management	17
Human Resources	19
Estate Management	21
Anti Fraud	21
5. Sustainability	22
Annexes	
A - Volumes	25
B - Cashflow	26
B - Balance Sheet	26
C - Fees	27

The end of 2012-13 finds Driving Standards Agency (DSA) leaner, fitter, smarter and in good shape to deliver on some of the changes coming up over the next 2 years.

The most pressing will be implementing the outcomes of the Motoring Services Strategy consultation which closed in March 2013 and is likely to have a major impact on DSA.

The strategy is aimed at putting better customer service at the heart of everything that we do and includes strong themes around creating opportunities for business (especially small to medium organisations) to boost economic growth.

At DSA we know our personal and business customers want better access, more choice, faster response times and top class service. They also want to transact with us at more convenient times of the day and at a lower cost. We are working hard to understand their needs and think in new ways about how we deliver services. This includes making sure we deal with concerns and complaints promptly and thoroughly.

Our aim is to respond more quickly and flexibly to changing demand where this can be achieved without threatening the integrity of the driving test or resulting in higher fees.

Some of the other ideas being discussed as part of the Motoring Services Strategy are fewer agencies, more working with partners, sharing resources with public and private sector organisations and maximising the delivery of digital services to motorists to reduce costs and improve service.

DSA is already a star performer on 'digital by default' and will continue to proactively support personal and business customers in a drive to push online take up to 90% or more by spring 2014.

A trial of mobile technology for driving examiners, new computer generated hazard perception clips and publications available nationwide in print, e-book, DVD, software and smartphone application formats are just some of the ways we will be demonstrating our determination to become a digital by default organisation by 2015.

Another initiative firmly in the spirit of the Motoring Services Strategy is our Taking Testing to the Customer project which not only offers candidates more choice and flexibility, but also demonstrates private/public sector partnership in action. So far Halfords retail chain, the fire and rescue service in Greater Manchester and Nottingham Trent University are offering their sites as test centres.

DSA also aims to be the first point of call for trusted, easily available information on driving and riding standards in Great Britain.

Our newly published national standards describe the skills, knowledge and understanding needed by drivers and riders to be a safe, responsible and respectful road users and what instructors need to know or be able to do, to deliver effective training. We are also planning to consult on ways to raise standards in the driver training profession both for new entrants and existing qualified instructors.

Finances will continue to be challenging as we strive to achieve a £2 million surplus whilst making further efficiency savings of £5 million by 2014. This is to be achieved at a time when we expect demand for driving tests to continue to fall due to a drop in the number of young people in Great Britain. Despite this, fees for the practical driving test have remained unchanged since 2009 and are likely to remain so until the 2014-15 financial year at the earliest.

Whatever lies ahead and with the support and expertise of DSA staff and our partners, we will continue to focus on working together to promote safe and responsible driving and riding to make sure our roads in Great Britain remain among the safest in the world.

1.1 Our vision and key purpose

The Driving Standards Agency (DSA) is an executive agency of the Department for Transport (DfT). Our mission is **Safe Driving for Life™**. DSA is a government trading fund, financed almost entirely by the income generated from the fees we charge for our services.

Our vision is to:

Offer the very best public service we can – one that is reliable, cost-effective, adaptable and efficient. We aspire to be ‘best in class’ in providing services to our customers in line with government policy.

Our key purpose

Our key purpose is to:

- continue to develop, publish, review and improve evidence-based Driving and Riding Standards, Driver/Rider Training Standards and Standards for remedial programmes, such as drink-drive rehabilitation
- continue to review and develop our driving and riding tests and the way in which driving and riding instructors qualify and are assessed
- carry out driving tests and assessments fairly, equitably and efficiently
- be an effective and efficient regulator - we will work with our colleagues, in DfT and elsewhere, to develop and implement regulation that promotes economic growth and minimises the burden on those that we regulate
- meet our obligations as a government agency providing services for central government, and as part of the DfT family
- run the organisation effectively and efficiently, with the right people with the right skills in the right place at the right time and systems to support them
- support the government's strategic framework for road safety, the DfT motoring services strategy and align with the DfT business plan, and meet the DfT Digital Strategy

This plan sets out the measures, outcomes and important programmes that the DSA aims to deliver during 2013-14 and 2014-15. We contribute to the DfT's business plan 2010-15 which can be found at www.gov.uk/government/publications/department-for-transport-business-plan

Our plan shows our commitment to efficiency, reform and support of the government's information and communications technology (ICT) and digital strategies.

1.2 How we manage our business

DSA Executive Board

The agency Chief Executive and Accounting Officer chairs an executive board of 4 executive and 2 non-executive directors.

The executive board meets monthly to monitor achievement of the business plan objectives, including progress against current projects.

The executive board also deal with operational issues that are highlighted from other governance groups that support it. These include:

- Performance Management Group – provides focus on key performance measures, financial performance and risk management, challenging and supporting senior managers where appropriate
- Driving and Rider Standards Board – reviews, develops and monitors implementation of national driver and rider Standards, and associated matters
- Investment Appraisal Board – approves business cases considering benefits realisation and efficiency
- Estates Board – has ultimate responsibility to ensure the delivery of a cost-effective estates solution to support the DSA operating model
- Information and Communications Technology (ICT) Board – leads the effective and efficient delivery of ICT services and systems
- Sustainable Development Board – has responsibility for the strategic development and monitoring of the overall sustainable development of the agency
- Culture Board – co-ordinates the delivery of organisational and cultural change

In addition, the Chief Executive Officer (CEO) meets with each director on a quarterly basis to review the detailed performance and agree any changes for the remainder of the year.

Audit and risk management

The audit and risk management committee is chaired by a non-executive director and the CEO and finance director attend as observers at least 4 audit and risk management committee (ARMC) meetings each year.

DSA's ARMC supports the CEO with advice on matters of governance arrangements, risk management process, internal control and compliance.

The executive board monthly review of corporate risks provides guidance to managers on how to respond to risks they have identified. The risk policy and guidance is refreshed annually.

2. Our strategic direction

2.1 Our strategic direction

DSA's vision for the future is to transform DSA to meet the challenges ahead, continuing our commitment to being a successful, customer focussed organisation and to promoting safe driving for life.

The DSA will support the [government's strategic framework for road safety](#) and will align with the DfT business plan.

In August 2011, the executive board agreed a business direction statement for the agency up to 2015, where a number of commitments were agreed. These are:

Road safety – DSA has a primary responsibility to set the minimum standards for driving and riding in Great Britain and will establish these standards and the necessary testing regime to make sure newly qualified drivers and riders meet them. DSA aspires to be the main, trusted source of information for driving and riding standards in Great Britain and to positively influence thinking around driver and rider behaviour.

In pursuit of its mission – Safe Driving for Life - DSA has a clear and obvious interest in both pre and post test training for driver and rider, including offender rectification schemes.

Test delivery – DSA is responsible for ensuring the proper and effective management and delivery of the driving tests and in doing so will ensure quality, efficiency and value. We will seek to align delivery of those tests to the needs and expectations of our customers, ensuring a robust and effective test is also accessible and cost effective.

People – people are at the heart of everything we do as an organisation, whether customers, stakeholders or our own staff. We aim to achieve high standards and continuously improve what we do and how we do it.

Environment – DSA is committed to delivering its carbon reduction plan.

Finance – DSA is committed to ensuring strong financial management and robust systems of internal control, audit and risk management.

ICT and digital channel shift – DSA intends that public and business customers, as well as all stakeholders, can conduct transactions, bookings and wider business matters effectively and reliably. They should have confidence DSA will use and protect their information and data properly. DSA will manage, develop and innovate in the use of digital and IT systems to deliver a service that meets customer and business needs.

Estates – DSA will ensure its estate is fit for purpose in terms of buildings, facilities and amenities, is efficiently run and aligned to customer and business needs.

In December 2012 DfT launched a consultation about [the future of the motoring services agencies](#) – DSA, VOSA, DVLA and VCA – and what we can do to support motorists.

This is called the motoring services strategy, which is about putting the consumer and business at the heart of what we do. We will work to deliver this once the direction has been set.

2.2 DSA change portfolio

Our main aim for 2013-14 and 2014-15 will be to continue to promote road safety by influencing driver and rider behaviour. We will do this through educating drivers and setting standards for pre-driver education, driver trainers, supervising trainers and carrying out theory and practical driving/riding tests. In addition, we will make sure that we provide greater efficiency and better value for money throughout our business.

We aim to achieve this by:

- improving the standards of driver and rider trainers
- continuing our core delivery of driving tests, both statutory and non-statutory
- ensuring tests are of appropriate quality and delivered consistently
- improving the availability of tests and increasing take-up of our digital services to make booking tests easier
- ensuring we utilise our key examiner resource effectively and efficiently
- making further operational efficiency savings
- delivering our financial plan

2.3 Policy development

DSA will be consulting on recent changes made to Directive 2006/126/EC* (the Third Driving Licence Directive) and will implement legislation once the outcome of the consultation is known.

2.4 Joined up working across government

DSA will continue to support government initiatives such as the government digital strategy and details are included throughout this plan.

3. Our plans for 2013-14, 2014-15

3.1 DSA key performance measures

No	Measure
Reform	
1	Digital by default - Increase the take-up of digital services to 90% or more by 31 March 2014.
2	Take forward the motoring services strategy: <ul style="list-style-type: none"> i) work towards migrating into the new shared services provider; ii) pilot the use of mobile IT for driving examiners by 31 March 2014; and iii) review models for best business delivery.
Operational	
3	Offer 95% of candidates an appointment at their preferred theory test centre within 2 weeks of their preferred date.
4	Keep 99.5% of all theory test appointments.
5	Offer an appointment within 9 weeks at 90% of permanent car practical driving test centres.
6	Keep 99% of practical tests which are in place 3 days prior to test at permanent driving test centres.
7	Maintain customer satisfaction for candidates and business customers on the 2012-13 outturns.
8	To reduce by 10% the number of complaints not resolved at first contact as compared with 2012-13.
9	FOI – provide 93% of responses within 20 working days.
10	PQs – provide 100% of responses by due date.
11	Ministerial correspondence – provide 100% of responses within 7 working days.
12	Official correspondence – provide 80% of responses within 20 working days.
13	Driver Certificate of Professional Competence (CPC) <ul style="list-style-type: none"> i) Driver (CPC) Centre audits – achieve 95% of planned (compliance and quality assurance) Centre audits for the year. ii) Driver (CPC) Course audits – achieve 90% of planned (compliance and quality assurance) Course audits for the year.
Finance and efficiency	
14	Ensure the average number of working days lost due to sickness absence does not exceed 7.5 days.
15	FTE (staff numbers) as at 31 March 2014 will be no more than 2,200.
16	Deliver driving examiner utilisation of 80%.
17	Achieve £2 million surplus in line with the business plan.
18	Achieve efficiency savings of £5 million by 31 March 2014.
19	Cut carbon emissions by at least 20% from agency activities compared with 2009-10 baseline.
20	Invoices – payment of 80% of invoices within 5 working days.

4. Supporting delivery of our plan

4.1 Information services

Customer experience

Public service reform puts the customers at the forefront of service design and delivery. Through our ongoing programme of customer surveys, supplemented by focus groups with key customer groups, we will ensure that we understand their needs and can measure how well we are doing to meet their requirements.

Customer service excellence

Excellent customer service is important to DSA, and we attained full reaccreditation against the Customer Service Excellence standard in 2012, having been accredited since 2009-10. The standard measures whether our services are efficient, effective, excellent, equitable and empowering by considering the following areas: business delivery, timeliness, information, professionalism and staff attitude.

The accreditation attained in 2012 is valid for 3 years, but we will commission further reviews against elements of the standard in 2013 and 2014 from our accreditors in accordance with the conditions of the scheme.

Customer operations

Delivering efficiency, value and quality, understanding customer needs and providing excellent customer service are priorities for DSA. Our customer operations team aims to provide answers to all inbound communications first time. The team is leading on the increased take up of service by electronic channels and will continue to work closely with our customers to continuously improve and update these services. We aim to retain our global standard accreditation from the Customer Contact Association and contribute to the retaining of our Customer Service Excellence accreditation.

We are focussing on development of our staff who respond to first stage complaints to help resolve these first time round. Those who respond in writing to first stage complaints will be given training in their written skills over coming months and all staff handling complaints will be encouraged to undertake the new complaints handling e-learning module that was launched on the Civil Service Learning portal in March 2013

Stakeholder management and external communication

Working with other agencies, stakeholders and partner organisations, we will maximise opportunities to communicate key road safety and other DSA messages through cost effective channels.

We value the constructive working relationships we have developed with key stakeholders and intend to continue to work closely with them to ensure that all relevant knowledge, understanding and expertise is involved in progressing our shared goal of improving road safety.

Following a review of DSA's approach to stakeholder engagement, we will develop our strategy to further improve two-way communication with stakeholders in 2013-14 and 2014-15.

We will continue to develop our popular and effective digital communications. The DSA Direct email subscription service and our social media activities will benefit from even greater cooperation with other departmental and government bodies, in response to users' needs.

DSA will also aim to strengthen its current social media presence - to communicate and engage with both customers and stakeholders on key areas such as the driving test and The Official Highway Code.

Research

The government is committed to evidence-based policy development. We will continue to develop our knowledge of what works in delivering safer drivers through our own research, collaboration with other stakeholders and learning from international experiences. In particular, we will focus on identifying interventions that will help make young drivers safer.

Information assurance

DSA will work to maintain and improve the security of data held and processed by the agency and its commercial partners, to enable access to information as widely as possible where appropriate, and to continue to comply with legislation such as the Freedom of Information Act (2000) and Data Protection Act (1998).

In 2013-14 and 2014-15 we will:

- continue to meet our defined information obligations (respond to 93 per cent of Freedom of Information (Fol) requests within 20 working days and respond to 100 per cent of subject access requests within 40 working days)
- continue to publish DSA data as Official Statistics in order to support transparency
- continue to conduct audits of internal policies and systems, and with commercial partners throughout our supply chain, to identify and mitigate risks to the confidentiality, integrity and availability of DSA information
- enable better use of, and wider access to, existing DSA information resources to support a more efficient and informed business
- review and maintain our business continuity management system to ensure that the agency can continue to deliver its public service in the event of significant disruption

Information and communications technology (ICT)

We will work on supporting existing service delivery and delivering ICT business change through the appointment of new contractors as a result of the need to replace the existing contract, which expires in December 2014. Where IT services were previously delivered by a single main contractor, services in 2014-15 onwards will be supported by a range of contracts, meeting the requirements of the government ICT strategy.

Work is also continuing to develop an iterative, agile approach to IT change management. This will reduce the need for large scale solution change in existing IT provision through a process of phased evolutionary development.

Digital services

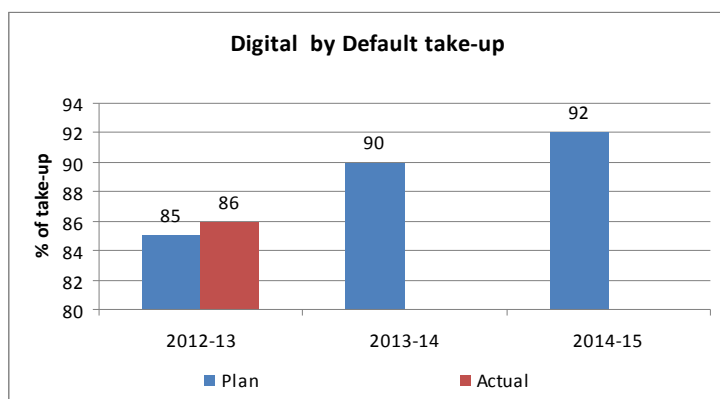
As a leader in the delivery of government online services, DSA will continue to support the [government digital strategy](#) and the [DfT digital strategy](#) by making the best use of digital channels to deliver transactional services as an essential part of our being a modern, fit for purpose organisation, ready to meet the challenges we face.

During 2013-14 and 2014-15 we will:

- deliver increased digital transactional services such as driving test bookings
- introduce a programme of continuous improvement to our digital services based on feedback from our customers
- pursue initiatives where we can accommodate the growing trend for customers to access the internet via mobile and tablet devices
- trial and roll out the use of mobile devices to record and transmit the results of driving tests, removing the need to use paper forms, and improve IT provision to driving examiners
- replace the current contact centre with a customer support service

Our staff will contribute by helping people to use our digital services but will continue to contact and guide those who have never been online. Customer support agents will engage with callers on the reasons why they have not gone online and guide them towards using digital services. Proactive steps will be taken to contact and assist business customers who are not yet online via phone calls, electronic communications and personal visits to their premises.

DSA will become a 'digital by default' organisation by 2015, driving take-up of online customer transactions towards 100%, but also focussing on building efficient digital internal processes, including the introduction of mobile devices for driving examiners.



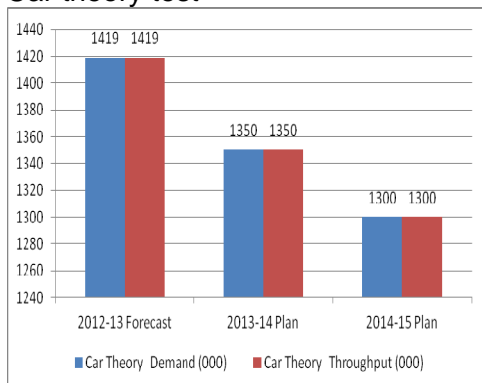
4.2 Test demand and planned throughput

Test demand levels

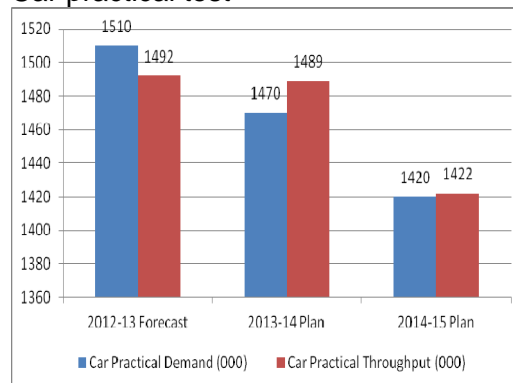
In 2013-14 and 2014-15 we expect a reduction in demand for driving tests due to:

- a decline in the number of first time takers as a result of a reduction in the number of 17 year olds (expected to continue until 2020)
- the impact of economic conditions upon customers' decisions about learning to drive.

Car theory test

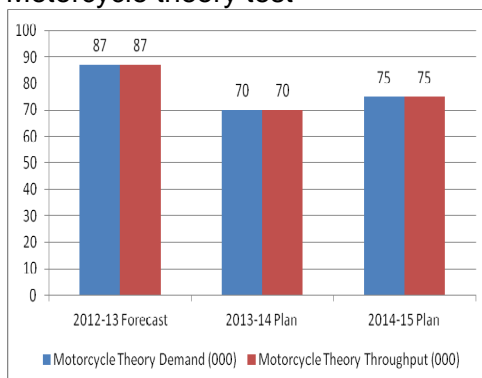


Car practical test

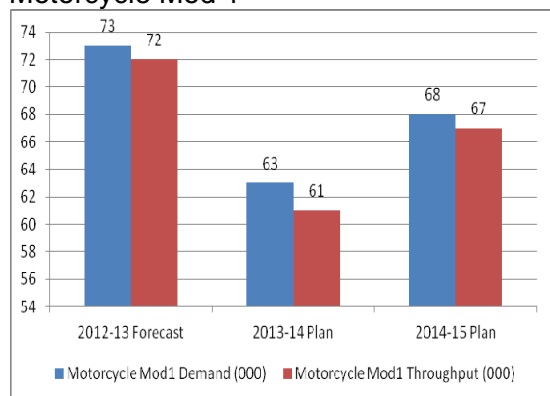


For motorcycle testing we expect a slight reduction in demand following a small surge in 2012, prior to the EU 3rd Directive that came into force on 19 January 2013 but then a return to the steady growth experienced since 2009-10.

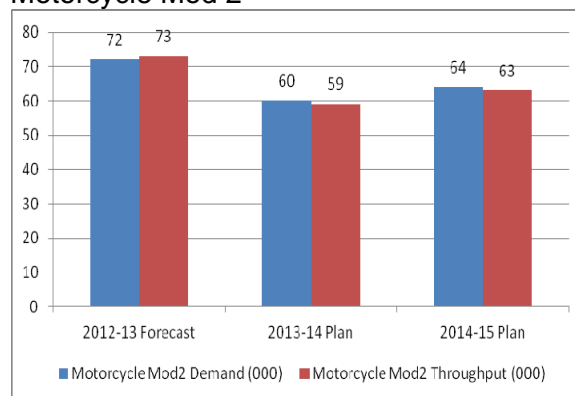
Motorcycle theory test



Motorcycle Mod 1



Motorcycle Mod 2

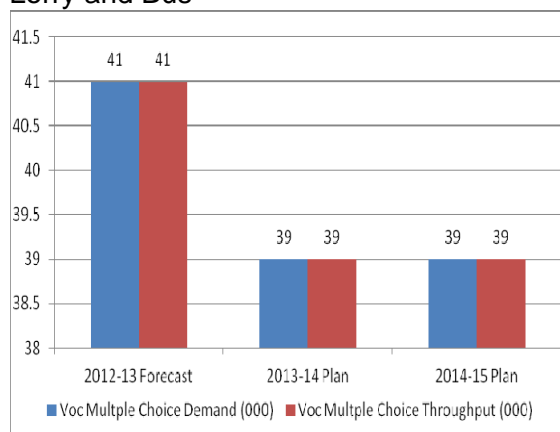


Small increases in the demand for vocational testing are expected over the next 2 years. This growth is across all 3 areas of vocational practical test demand. The growth is largely due to drivers seeking licence upgrades for lorry and bus categories as well as continuing growth in car and trailer (B+E) licence acquisition – neither of which requires people to take a theory test.

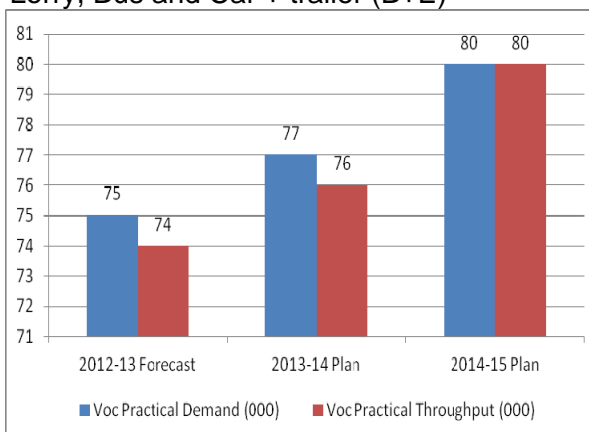
Initial qualification tests for Driver CPC are expected to grow steadily as is the volume of CPC periodic training for 'acquired rights' drivers to meet a PCV compliance date of 9 September 2013 and LGV 9 September 2014.

Volumes can be found in Annex A.

Multiple choice/HPT Lorry and Bus



Practical tests Lorry, Bus and Car + trailer (B+E)



Theory tests

The theory elements of licence acquisition tests, as well as instructor and professional driver testing, are delivered by our partner Pearson Driving Assessments, on behalf of DSA, through a network of test centres and mobile facilities. Key performance indicators, designed to ensure that the service meets the requirements of candidates, are monitored carefully to ensure compliance. We work with the contractor to ensure that all assessments are refreshed and up-to-date. As part of this work we will shortly replace our

existing hazard perception video clips with computer generated clips. This will allow us to introduce new scenarios, which would be difficult to film safely on the road.

The existing contract, which has been in operation since 2004, ends in September 2014. We expect to award our call off contract in April 2013. We will then work with the successful supplier to implement a smooth transition to the new contract so that they are ready to accept test bookings from July 2014 and deliver theory tests from September 2014.

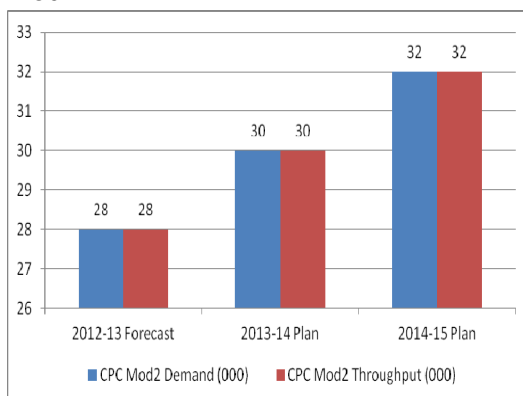
Quality assurance

The Chief Driving Examiner will set test standards and assure the quality of driver, rider and instructor testing activity in Great Britain including that of delegated examiners. DSA achieved certification to the European Union ISO9001:2008 standard in September 2012 for the quality control and assurance of all car, bus, lorry and motorcycle practical licence acquisition tests. We will develop new tests in response to changes in legislation and ensure that driver testing complies with Great Britain and European Union regulations. We will ensure that the content for all examiner vehicle-related training courses is fit for purpose and that the courses are delivered to the required standard to meet EU 3rd Directive requirements that commenced January 2013.

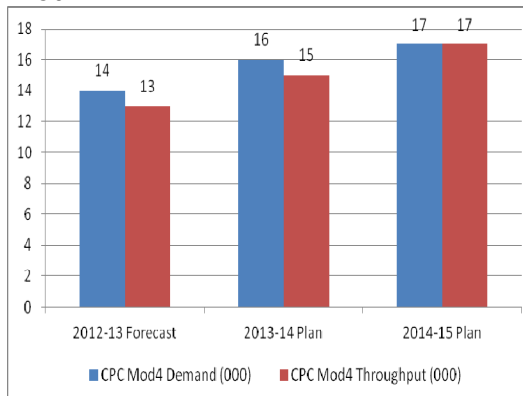
Driver Certificate of Professional Competence (CPC)

All new drivers of large goods vehicles, and bus and coach drivers, who wish to drive professionally, are required to pass the initial Driver CPC qualification while also holding the appropriate vocational licence.

Mod2



Mod4



In addition, professional drivers are required to undertake 35 hours of periodic training every 5 years to retain their licence.

DSA is a competent authority of Driver CPC in Great Britain, and is responsible for approving Driver CPC centres and courses, the quality assurance of Periodic Training and the handling of non-compliance. The Joint Approvals Unit for Periodic Training (JAUPT) is our main partner supporting us in this role. The quality assurance programme proposed for 2013-14 and 2014-15 aims to:

- maintain an appropriate volume of audits to assure the quality of the training provided
- uphold the integrity of Driver CPC through maintaining and raising standards
- prevent potential non-compliance and identify possible fraudulent activity
- promote best practice, increase the knowledge and skills of drivers and therefore improve road safety

DSA provides and maintains the system to record Periodic Training completed which approved trainers update online. Drivers are able to access their record of training and share it with employers online.

Drink drive rehabilitation scheme

Since 1 January 2000, if an offender has been disqualified for a period of at least 12 months for a relevant drink-driving offence, courts have been able to offer them the opportunity for referral to an approved drink-drive rehabilitation scheme course. The aim of the scheme is to provide drink-drive offenders with the appropriate education to help them recognise the problems associated with drink-driving and to enable them to change their behaviour in order to reduce reoffending.

A new approvals process for the drink-drive rehabilitation scheme was introduced in January 2013 opening up the market place to those seeking to deliver the approved course. This approach applies to the principles outlined in the government white paper on open public services, notably encouraging a diversity of supply, supporting small and medium enterprises, encouraging enterprise and providing greater choice for consumers.

The scheme transfers the management costs from the tax payer to the offender under the 'user pays principle' and provides funding for compliance and quality assurance activities conducted by DSA, with the aim of improving the quality and consistency of courses offered to drink-drive offenders.

Compulsory basic training (CBT) for motorcyclists

DSA will continue to quality-assure instructors conducting CBT. Our CBT monitors will offer development, guidance and support to the industry. We plan to conduct 600 checks during 2013-14 and will follow up on those inspections deemed to be unsatisfactory, as appropriate.

Motorcycle testing

DSA will continue to work with the motorcycle training industry and progress implementation of our review of how and where we deliver motorcycle tests in order to be more responsive to the needs of our customers. We will lead the implementation of the recommendations of the Department for Transport led review of the motorcycle test.

Learning to ride

We will carry on with our work in conjunction with the motorcycle training industry to develop proposals to improve the way people learn to ride both before and after they take their motorcycle test. We will continue our work with trainers to improve the standard of training provided by motorcycle trainers, in line with the national riding standards and the national driver and rider training standards, whilst fulfilling our regulatory responsibilities fairly and consistently.

Dangerous goods transportation regulation

The transport of dangerous goods is regulated in order to prevent and limit the effect of, as far as possible, accidents. Substances and materials which are dangerous to transport range from those which present obvious risks, such as fuel and explosives, through to more frequently encountered products such as paints, solvents and pesticides. DSA, through the Scottish Qualifications Authority, will continue to approve the dangerous goods training organisations and trainers and ensure that the scheme is administered and delivered in accordance with the European Agreement concerning the International Carriage of Dangerous Goods by Road, and as applied to national transport by EU Directive 2008/68 and the GB implementing regulations (CDG). In 2014, we will evaluate the operation of the scheme, to ensure that the contract is refreshed in the most appropriate manner.

Register of approved driving instructors

DSA will continue to regulate approved driving instructors (ADIs) who deliver paid car driver training, to ensure minimum standards and the overall integrity of the industry. The number of ADIs on the register declined steadily throughout 2012-13. Theory and practical test demand for potential approved driving instructors is also predicted to fall in the period 2013-14 and 2014-15.

We plan to complete consultation on our proposals to modernise the driver training industry in 2013-14. This is aimed at raising the overall standard of training received by consumers, whilst reducing the overall regulatory burden on approved driving instructors. We will improve the initial qualification and standards maintenance arrangements for approved driving instructors so that they better align with our published [national standards](#).

We will continue to work closely with approved driving instructor stakeholders on implementation and the transition during 2015 to the new arrangements. During this period, we will aim to ensure the national average waiting time for approved driving instructors is no more than 6 weeks.

We plan to carry out 15,000 check tests each year on approved driving instructors in 2013-15 in order to ensure that they continue to meet the minimum standards of instructional ability.

Voluntary registers

DSA will continue to maintain and administer the voluntary trainer registers of large goods vehicles, fleet, official register of driver instructor training and the register of post test motorcycle trainers. We will be reviewing the arrangements for these registers as part of the wider consultation to modernise driver and rider training in 2013-14.

Publications and learning materials

DSA and The Stationery Office Limited work in partnership to publish the definitive source materials for the national driver and rider standards, including The Official Highway Code. We support these with a range of popular products to prepare for tests, and for all drivers and riders to maintain their skills, knowledge and understanding for life.

Our publications are available nationwide from high street and online retailers in print, e-book, DVD, software and smartphone application formats. Increasingly, we will make new resources available online as well.

Learning materials for theory test have developed significantly in recent years; supporting development of understanding and discouraging the rote learning of questions and answers. They make theory and The Highway Code more interesting, and even fun, and relevant to drivers and riders practical experience on the road. This makes our learning materials more memorable and increases the chances that a good standard will be practised on the road. We will continue to spread these and similar improvements to the rest of the range in the coming year.

We will continue to respond to reviews and other feedback and carry out research to improve the range and quality of resources. We want to make sure that all road users have the choice to engage with the national driver and rider standards. Our aim is to empower people to make informed, efficient and safe decisions about their transport for life.

This is helped if there is a variety and choice in the market, so DSA also licenses the use of its theory test revision questions, hazard perception clips and imagery to trainers, educators, publishers and translators into British Sign Language and foreign languages. Licensing provides a cost-effective alternative to generating and quality assuring original content. As a result, more providers can compete, particularly smaller businesses. In this respect we will maintain the standards set by the Information Fair Trader Scheme, as regulated by The National Archives.

4.3 Financial management

DSA is a government trading fund, financed almost entirely by the income generated from fees for its services. We are required to meet financial objectives set by HM Treasury, which include recovering full costs of services provided, including a rate of return on capital employed of 3.5 per cent over a 5-year period.

Accordingly, we have developed plans to generate a surplus of £2 million each year over the next 2 years. This is reported as an operating surplus of £11.5 million which funds the £9.5 million interest payments on leases and outstanding loans. This meets the requirement to cover the full costs of delivering services and achieve the cumulative return on capital employed target.

Fees for statutory services are expected to remain at current levels throughout 2013-14, with the agency seeking efficiencies to meet the costs of service developments and to counteract the inflationary pressures on costs. Work is underway to evaluate the impact on fees from changes to the cost structure arising from amended delivery practices and revised contracts such as for the delivery of the theory test. Any change to fees is likely to impact in 2014-15 at the earliest. Current fees are set out in the table at Annex C.

The plans for 2013-14 and 2014-15 are based on delivering the forecast activity levels detailed in Annex A. Demand for, and delivery of, services are susceptible to a number of external influences, including economic conditions and bad weather. The volumes of activity are the most significant factors affecting our financial performance and we will continue to closely monitor levels and respond throughout the year.

Overall, expenditure will decrease next year, reflecting decreasing activity volumes. Expenditure plans, have been rigorously scrutinised to balance the overall budget within income and generate a return on capital employed. We continue to seek and develop improved and more efficient operating procedures aimed at reducing the cost base. Expenditure is routinely monitored and managed throughout the year to ensure it remains appropriate for the level of throughput.

The planned financial performance may be summarised as:

£m	Actual 2011-12	Forecast 2012-13	Plan 2013-14	Plan 2014-15
Income	193	184	178	171
Expenditure	181	180	176	169
Overall surplus	12	4	2	2

* overall surplus is after interest receivable, interest payable, surplus on disposal of fixed assets and dividend payment.

Information on the cashflow and balance sheet is provided in Annex B.

Capital spend

We will continue to refresh our existing operational assets to ensure that we meet health and safety requirements and provide our customers with a positive experience when visiting our driving test centres; this will also include a number of sustainability projects which will help reduce carbon. See section 5.

There are plans to invest in systems to improve customer service by further developing our online services. It is planned to improve driving examiner efficiency through the use of mobile devices and these will be continued to be developed and trialled and then rolled out to all examiner staff.

Investment scheme	Forecast 2012-13	Plan 2013-14	Plan 2014-15
Hazard perception animation	0.6	0.5	-
ICT projects	2.8	3.0	3.0
Estates projects	0.3	1.0	1.5
Other projects	0.5	1.5	1.5
Total expenditure	4.2	6.0	6.0

Efficiency

DSA's proposed financial plan is challenging; fees have not changed since 2009 and cost pressures persist in a time of reduced levels of income.

To support the government's austerity programme we will continue with a number of initiatives to improve efficiency and reduce waste. Where appropriate, we will make use of Continuous Improvement tools and techniques. We expect to achieve efficiency savings of £5 million in 2013-14.

4.4 Human resources

Workforce plan

Staff full time equivalents	Actual March 2012	Forecast March 2013	Plan March 2014
Examiners	1,780	1,728	1,704
Admin Staff	625	556	496
Total	2,405	2,284	2,200

Reduced staff numbers reflect the agency's aim to match our costs to reduced income. We continue to recruit examiners in high waiting time areas as these are critical to our primary business of test delivery.

Shared services

The agency uses DfT shared services, which will be divested in 2013-14. We will carry out work to prepare for the new platform in 2013-14 and complete migration in 2014-15.

Staff

We have simplified and reduced the time taken to recruit examiners and broadened examiner skill sets in the places we require them – particularly for motorcycle and LGV test categories.

Staff absence

We will continue to promote health and wellbeing throughout our workforce, and explore options for sharing best practice and employee assistance initiatives across DfT and the wider civil service. We will continue to manage attendance and support managers in progressing cases effectively and in a timely fashion, in accordance with policy, procedures and employment law. We will continue to manage serious absences sensitively, but effectively to ensure satisfactory outcomes for DSA and individuals.

Staff training and development

We aim to maintain and improve the capability of our driving examiners against the background of changing requirements through a flexible programme of business specific, technical training. This will include the introduction of a mandatory suite of periodic training courses which are a required element of the EU 3rd Directive.

A wide range of core skills training and development opportunities in administration, management and leadership are offered through Civil Service Learning. This common curriculum – linked to the introduction of a new Civil Service Competency Framework – will form the basis for the provision of generic skills and knowledge development for all our staff. This will be vital in helping to meet some of the challenges presented by the Civil Service Reform Plan. We will continue the programme of Work Experience Placements for unemployed 16-24 year olds and aim to expand the offer of NVQs and apprenticeships to new and existing staff.

Staff engagement

We value and respect the people we work with and will continue to embed the agency's refreshed values into the way we work in DSA. We are proud that DSA is an Investors in People organisation and our accreditation will be fully reviewed and reassessed in 2013.

Equality and diversity

A single corporate equality and diversity team continues to promote and lead on staff related equality and diversity issues across DfT. DSA continues to implement best practice and support central initiatives where possible.

From a service delivery perspective, there is an increased focus on understanding the impact of our services on protected characteristic groups. Following the success of working with external stakeholder interests from a special education needs perspective on the theory test in 2012, it is intended that this approach will be extended to other services, including the practical test in 2013-14. This will ensure that DSA continues to meet the needs of our customers.

The published equality objectives will continue to act as a framework for improvement in equality and diversity practices.

Health and safety

Internal health and safety assurance is monitored through a regime of auditing and inspections undertaken by health and safety teams and external professionals such as Crown Fire Inspectors. Activities with significant risk are assessed, controlled and reviewed as necessary. The health and safety team monitors and reports back on statutory assessments and activities completed by Total Facilities Management contractors. Issues identified are actioned by the managers responsible and an overview is entered into the monthly senior management's health and safety report.

4.5 Estate management

DSA is committed to providing timely and cost effective maintenance, repair, refurbishment, renewal and replacement on its diverse estate of administrative, training and testing facilities. We will continue to make progress in reducing energy and water use across all DSA sites.

We aim to deliver a flexible estate to effectively support initiatives relating to the development of new service delivery models, such as taking testing to the customer and vocational testing transformation.

4.6 Anti fraud

Fraud and integrity

DSA's fraud and integrity team will continue to tackle instances of suspected impersonation at theory and practical driving tests to reinforce our commitment to improving road safety. We will work closely with our external stakeholders such as the Police, Crown Prosecution Service, courts and other government agencies towards reducing the number of impersonations. We also plan to undertake full investigations of suspected illegal driving instructors.

We will use appropriate media channels to promote the team's work, which will reinforce the message that those found guilty of these offences can expect to be punished.

Fraud and bribery

DSA takes fraud and bribery very seriously. All cases of actual or suspected fraud or bribery will be investigated promptly and disciplinary action will be taken where appropriate. We will not accept any instance of fraud or bribery and we require all staff, at all times, to act honestly and with integrity and to safeguard the public resources for which they are responsible.

We aim to communicate, promote and embed an anti-fraud and bribery culture by raising staff awareness of these issues.

5. Sustainability

Sustainable development

DSA seeks to deliver its services in a way that underpins a strong economy and just society while operating within environmental limits. We recognise that our operations cause a number of significant environmental impacts and that we have a responsibility to ensure that new drivers and riders use the roads safely while minimising emissions.

Sustainable drivers and riders

The driving and riding standards include specific elements devoted to driving in an ecologically responsible way and the driving test includes an assessment of eco-driving skills. DSA recognises that for novice drivers and riders the primary focus must be on being safe. However with a good grounding in safe driving and riding techniques novice road users will be well placed to develop the finesse required to gain the maximum ecological benefit.

Key areas attracting publicity at present are fuel efficient driving (including the [Committee on Climate Change recommendations](#) and Third Directive) and cycle safety (including the [select committee recommendations](#) and [Times campaign point 5](#)).

Sustainable operations

The government has set its departments and executive agencies a number of environmental targets called the Greening Government Commitments. We have set up accurate monitoring which allows us to track progress against these targets through to the final year in 2014-15.

To drive delivery of the targets we will develop our environmental management system (EMS) and maintain certification to ISO14001 at our main sites. We have seen significant improvements over recent years right across the agency and we will use the EMS and other tools to deliver further improvements.

It is a priority to reduce carbon emissions and our work in this area is summarised below. In addition, **Table 1** shows an overview of our work to mitigate other environmental impacts.

Carbon management

Climate change is recognised globally as a significant threat. It is the headline government environmental target and this is reflected within DSA. We have set a measure of a 20 per cent reduction in 2013-14 and 25 per cent by 2014-15 against a 2009-10 baseline. This will be delivered through our [carbon management plan](#). Over the first 3 years we have reduced emissions in line with our plan and the projects below will see this progress continue over the next 2 years by:

- gaining access to half hourly data from the 200 electricity smart meters we installed in 2012-13 – we will use this data to complement existing work with data from our gas automatic readers to target energy waste
- continuing with our test centre minor upgrades programme which includes roof insulation, lighting and boiler controls
- upgrading at least 20 test centres from fluorescent lighting to LED equivalents.
- trialling small scale voltage optimisation
- evaluating the role that pure electric vehicles can play in our fleet
- improve examiner's skills to meet local variations in demand for the various driving test categories – this reduces the need to deploy examiners to other test centres
- continuing the successful programme of offering low carbon fleet cars to mobile staff – this helps replace grey fleet journeys which are estimated at 195gCO₂/km with vehicles that currently average 106gCO₂/km

The graph below shows how we have performed so far and our projection of various scenarios through to the end of the target window.

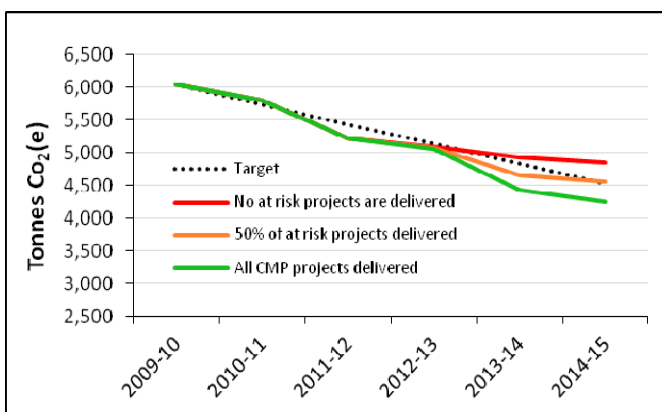


Figure 1: DSA carbon emissions with projects based on project delivery scenarios

DSA environmental sustainability plans		
2014-15 targets	Internal controls	2013-15 initiatives
Reduce greenhouse gas emissions by 25% from a 2009-10 baseline from the whole estate and business-related transport.	Monthly reports to the executive board showing all emissions from energy, vehicles (owned, leased and hired), grey fleet and some public transport. Projections show that we are likely to be roughly on target at around 15% by the end of 2012-13.	Initiatives are focussed on both estates and travel emissions and are outlined in the carbon management section above.
Reduce the amount of waste we generate by 25% from a 2009-10 baseline.	Waste is either weighed on site before transfer or we receive accurate management information from suppliers. This is reported to the Sustainable Development Board quarterly. Projections show we should achieve 19% by the end of 2012-13.	Information from the office printers is used to target staff who print high volumes. Improvements in electronic storage including a move to new servers with much greater functionality will enable a shift away from reliance on hard copies.
Reduce water consumption from a 2009-10 baseline, and report on office water use against best practice benchmarks.	Water use is measured using invoices and reported quarterly to the Sustainable Development Board. Projections are more difficult with water, but we expect to see a reduction from baseline of around 10-15% at the end of 2012-13. This brings a quarter of our sites into 'Good' or 'Best' practice.	We continue to target the sites using the most water per capita and have approximately 10 significant queries under investigation. Water use is also featured in any significant refurbishment or site acquisition.
Ensure government buys more sustainable and efficient products and engages with its suppliers to understand and reduce the impacts of its supply chain.	The Environmental Management System (EMS) features a Supplier Control Standard. This is audited regularly to ensure that our controls are operating effectively. The EMS is externally certified to ISO14001.	We are working with suppliers to adapt to changes such as the introduction of the new paper and food Government Buying Standards. We are also committed to in depth engagement with strategic suppliers.

Table 1: Summary of DSA initiatives against Greening Government Commitments

Annex A

Volumes

Measured in 000's		Plan								
		2012-13			2013-14		2014-15		2015-16	
Vehicle category	Test Type	Business plan	Demand	Throughput	Demand	Throughput	Demand	Throughput	Demand	Throughput
Car	Theory	1,500	1,419	1,419	1,350	1,350	1,300	1,300	1,270	1,270
Car	Practical	1,560	1,510	1,492	1,470	1,489	1,420	1,422	1,380	1,382
Motorcycle	Theory	77	87	87	70	70	75	75	77	77
Motorcycle	Module 1	65	73	72	63	61	68	67	70	70
Motorcycle	Single/Module 2	73	72	73	60	59	64	63	66	66
Vocational	MCQ	39	41	41	39	39	39	39	39	39
Vocational	HPT	39	40	40	39	39	39	39	39	39
Vocational	Practical	77	75	74	77	76	80	80	83	83
CPC M2	Theory	24	28	28	30	30	32	32	34	34
CPC M4	Practical	12	14	13	16	15	17	17	19	18
PDI	Theory	7	6	6	5	5	4	4	0	0
PDI	Practical	12	11	11	9	9	8	8	4	4
Taxi	Practical	15	17	17	18	18	19	19	20	20

Annex B

Financial plan

Cashflow

£m		Forecast 2012-13	Plan 2013-14	Plan 2014-15
Operating surplus		12.9	11.5	11.2
Net interest		(8.9)	(9.5)	(9.2)
Fixed assets	Depreciation/impairments	12.8	9.1	9.1
	Disposals	0.1		
	Capital expenditure	(4.2)	(6.0)	(6.0)
Financing	Loan repayments	(8.8)	(14.6)	(2.3)
Other		(1.7)	0.4	(0.1)
Cashflow (outflow)/inflow		(2.2)	(9.1)	2.7

Balance sheet

£m	Forecast March 2013	Plan March 2014	Plan March 2015
Non-current assets	116	113	110
Trade and other receivables	7	7	7
Cash and cash equivalents	61	52	55
Trade and other payables	(44)	(44)	(44)
Provisions	(51)	(51)	(51)
Assets less liabilities	89	77	77
Financed by:			
General fund	32	35	37
Loans from the Secretary of State	41	26	24
Revaluation reserve	13	13	13
Public dividend capital	3	3	3
Total taxpayers' equity	89	77	77

Annex C

Fees

	2013-14	
Driver/Rider Testing		
Car practical test	£62	
Car – out of hours practical test	£75	
Motorcycle – module 1 practical test	£15.50	
Motorcycle – module 2 practical test	£75	
Motorcycle – module 2 – out of hours test	£88.50	
Large goods vehicles practical test	£115	
Large goods vehicles – out of hours practical test	£141	
Theory test – car and bike	£31	
Theory test – vocational (multiple choice)	£35	
Theory test – vocational (hazard perception test)	£15	
Theory test – Driver CPC module 2	£30	
Abridged theory test	£24	
Approved driving instructor services		
Approved driving instructor registration	£300	
Potential driving instructor theory test	£90	
Potential driving instructor trainee licence	£140	
Potential driving instructor practical test	£111	
CPC acquisition for goods vehicles / passenger carrying vehicles		
CPC module 4 practical test	£55	
CPC module 4 out of hours practical test	£63	
CPC training record	£1.25 per hour	
CPC training course approval	£36 per hour	
CPC training centre approval	£1,500	
Drink-drive rehabilitation		
DDR training centre approval	£1,000	
DDR training completion fee	£7	
Extended test for disqualified drivers	Weekday	Saturday
Car practical test	£124	£150
Motorcycle module 1 practical test	£15.50	£15.50
Motorcycle module 2 practical test	£150	£177