



Driver & Vehicle
Licensing
Agency

Simpler | Better | Safer



The **Strategic Plan** for 2014/15 – 2016/17

Enter



Contents

DVLA Strategic Plan 2014/15 – 2016/17

DVLA Business Plan 2015/16

Reilly Review recommendations

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

Since 1974, the Driver & Vehicle Licensing Agency (DVLA) has been getting safe drivers and vehicles on the road simply and easily. The final consolidation on to our sites in Swansea represents the completion of a project that began right at the start – one body for licensing, serving the whole country with pride and quality service.



We are now in the second year of our Strategic Plan and our programme of change continues apace. We have:

delivered around **£110 million** of savings against an original target of £100 million by March 2015



cut fees for drivers by over **£20 million** or around **15%** of total drivers income

a full new management team and chair, and board with **enhanced governance** and accountability structure within the DfT family

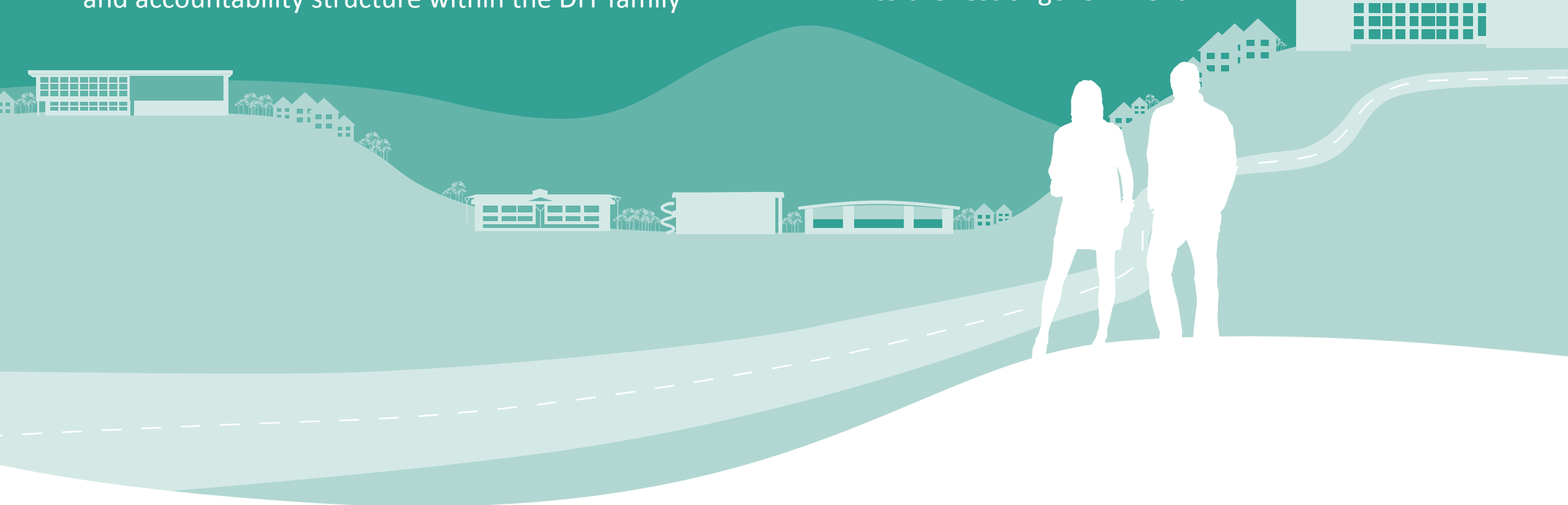


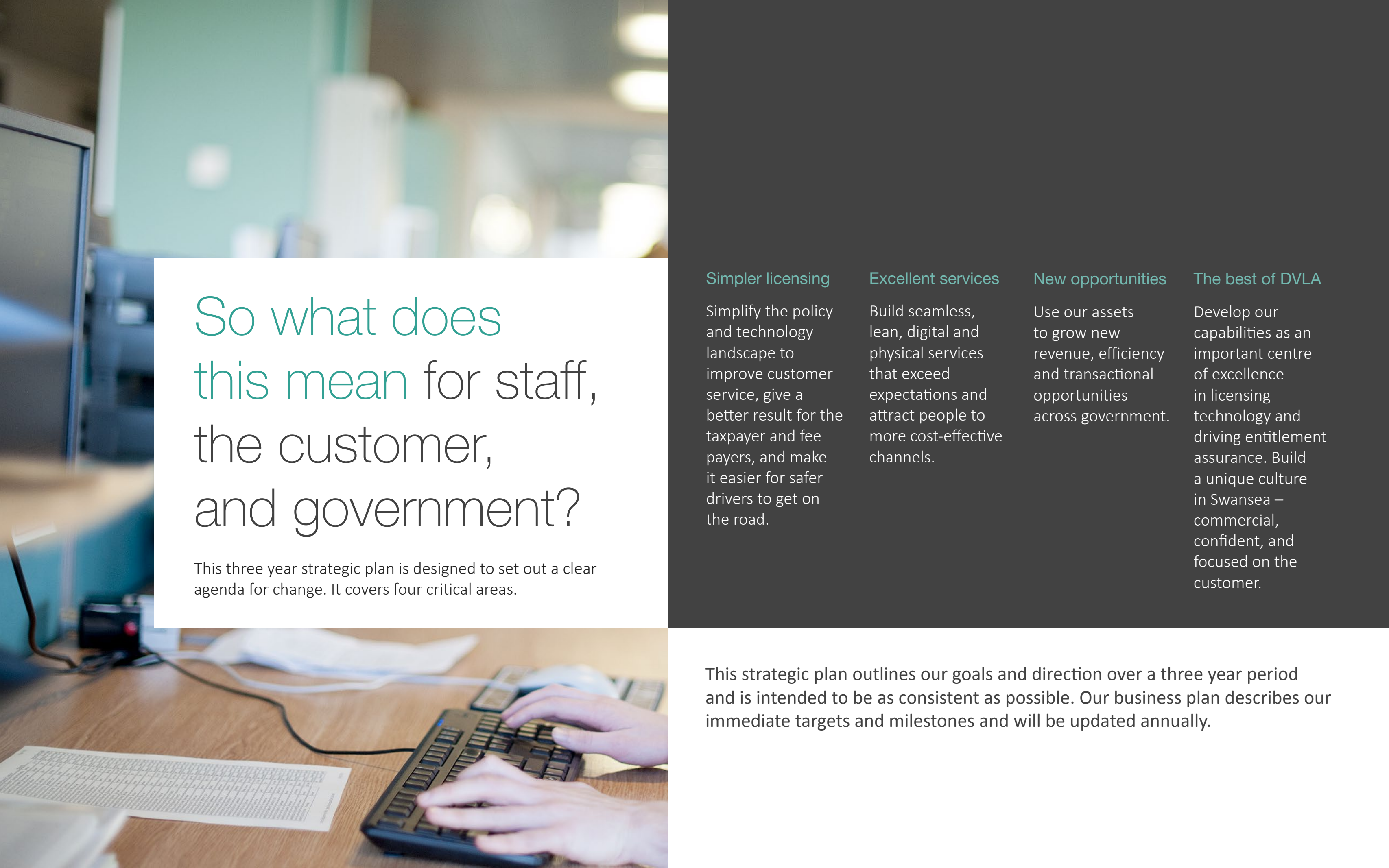
significantly simplified the public's experience of DVLA's services by **removing** the need for a **tax disc**

taken on an additional **1.7 million** customers from Northern Ireland giving access to online services for the first time

delivered **quality services** to the rest of government

We are well on the road to a new position for DVLA, one which reflects our culture, potential, and the objectives of government and the Department for Transport more clearly. One in which we are a clear centre of excellence in digital transactions. One in which we generate and grow income for government, fee payers and taxpayers, whether via cost saving, car tax, or our own commercial enterprise. And one in which we seamlessly integrate physical and digital customer service to best meet customer needs effectively.





So what does this mean for staff, the customer, and government?

This three year strategic plan is designed to set out a clear agenda for change. It covers four critical areas.

Simpler licensing

Simplify the policy and technology landscape to improve customer service, give a better result for the taxpayer and fee payers, and make it easier for safer drivers to get on the road.

Excellent services

Build seamless, lean, digital and physical services that exceed expectations and attract people to more cost-effective channels.

New opportunities

Use our assets to grow new revenue, efficiency and transactional opportunities across government.

The best of DVLA

Develop our capabilities as an important centre of excellence in licensing technology and driving entitlement assurance. Build a unique culture in Swansea – commercial, confident, and focused on the customer.

This strategic plan outlines our goals and direction over a three year period and is intended to be as consistent as possible. Our business plan describes our immediate targets and milestones and will be updated annually.

A woman with long blonde hair is looking at a tablet device. She is wearing a ring on her finger. The background is blurred, showing what appears to be a car interior.

Simpler licensing

Getting our customers online, whether drivers, vehicle owners, or the businesses that use our services, depends on how simple we can make the experience. Through the Red Tape Challenge, we have made our services simpler for customers, such as abolishing the paper tax disc, and we want to continue cutting the red tape that often surrounds motoring while retaining the quality of driving entitlement information and high levels of compliance achieved.

Our commitments under the Red Tape Challenge are just the start of making fundamental improvements to the way we do business. This will include driving forward evidence based policies working with stakeholders to remove burden, encourage compliance and improve road safety. Making it as easy as possible to transact digitally is essential for our future success. We have deployed an online driver enquiry service that will provide customers with 24/7 online access to their driver entitlements and will allow us to abolish the paper counterpart to the driving licence. Close engagement with industry stakeholders showed that they needed more time to integrate these changes within their businesses – removal of the counterpart will now commence in June 2015.

Compliance remains very high for our main services (99.4% for car tax). The evidence is that the public and businesses will comply whenever our services are easy to use, fair, transparent and quick – by making it easier to be safe and compliant, people will do so.

Excellent services

DVLA must provide customers with an excellent multi-channel offer that meets their needs. While we fully intend to significantly increase digital take-up, we will not do so by providing poor quality contact via our other channels. Instead, we intend to provide good service across the board at the right cost to the tax and fee-payer, and remove those obstacles that block the public from going online.

We are starting from a strong base. With the tax disc removed and direct debit introduced and the continued improvement of electronic vehicle licensing, going online is very attractive for vehicle owners. However, we still have much to do to improve services for fleet and other commercial organisations and with driver licensing. Our goal must be to make these services the perfect blend of quality driving entitlement assurance and streamlined process. We have now launched the first steps to a new framework for online vehicle services, with disposal into trade and personalised registration applications available. The challenge for the year to come is to make this a streamlined service for all users of these services.





New opportunities

DVLA holds numerous assets which could be exploited for the benefit of the taxpayer.

A state-of-the-art printing facility is able to provide premium quality secure printing services. A continuously maintained database of vehicles and drivers is much-used by the police and other stakeholders to assist in road safety and prevention of crime. A significant digital business engaged in the sale of personal registrations. DVLA has an experienced and cost-efficient workforce with a wide mix of skills. It is time for DVLA to start making best use of these opportunities as a service provider both for government and the private sector. Building externally funded opportunities is a key priority for the new Commercial Director, who has income targets linked to this work and a delivery plan for the next two years which is designed to meet those targets.

The best of DVLA

Some of the capabilities that DVLA needs for the future it has now. Some it will need to build both internally and with partners locally and regionally. At its heart, DVLA is already a leader in the management of physical transactions, and some digital transactions. We believe that a track-record of high performance and efficiency, and a reputation for excellence should be our aspiration, and that the culture and values of this organisation should reflect this.

As our digital services are rolled out, the proportion of work linked to this as opposed to paper processing will increase and staff will need to develop digital skills. In addition, the use of intermediaries and digital service channels will require an increase of commercial and contract management skills. Our Agency Target Operating Model has been designed, and will be implemented in 2015.





Making it happen

Governance

It is important that DVLA has both the operational freedom to deliver on the objectives set for it by this strategy, and also can provide assurance to DfT ministers, stakeholders and the public that it is doing so. On this basis, DVLA now has a fully established board and a new non-executive Chair. The new board mixes experience of genuine transformation with real operational and commercial knowledge. DVLA has an updated [Operating Framework](#) that sets out the accountability and key relationships as well as describing the supporting governance arrangements.

Efficiency

DVLA is an organisation that has already delivered significant efficiency gains to the taxpayer – the Agency is on target to have saved around £110m since 2010/11 as part of its programme to reduce operating costs. However, given the longer term nature of this strategy, we need to look at our planned efficiency savings over the longer term. We also need to seek opportunities to cut costs for the motorist and vehicle owner, and thus reduce fees. We will do this by streamlining processes, decreasing the volume of paper transactions and reducing fixed costs.

Financial targets

As an organisation that keeps on working to get more efficient at what it does, DVLA has taken on some significant cost savings targets for 2014/15 and 2015/16.

For this three year plan, we intend to extend these targets into a third year and to include additional revenue generated from other commercial activities and increased sales of Personalised Registrations. We also have agreement to smooth out our efficiency improvements and provide well in excess of the savings required under the Spending Review for non-ring-fenced departments. On this basis, the total efficiency savings as a percentage reduction against the 2013-14 inflated baseline are as follows by:



We also charge fees to the public and in line with our goal to be simpler, better, and safer, we will keep our fees under review to ensure that they reflect the changing costs and service provision to the public. Our goal is not to self-fund from fees but rather to increase efficiency and cut fees for the public.

Headcount

After the local office closure programme ended in December 2013, the number of full time equivalent headcount had fallen from 5,515 to 4,952. For the future, our focus will be not on absolute numbers, but on the efficiency savings above. Swansea remains the focus for recruitment and our workforce. While we will keep tight controls on our core workforce, we are prepared to see new jobs created where new externally funded opportunities arise and through the in-sourcing of IT activities.

Core workforce plans



* Full-time equivalent

Our expectation is that we will be able to achieve this headcount reduction without large-scale redundancy programmes – instead, our intent is to do so via turnover (now at 4.2%), or by re-skilling employees and moving them onto growth areas of the business.

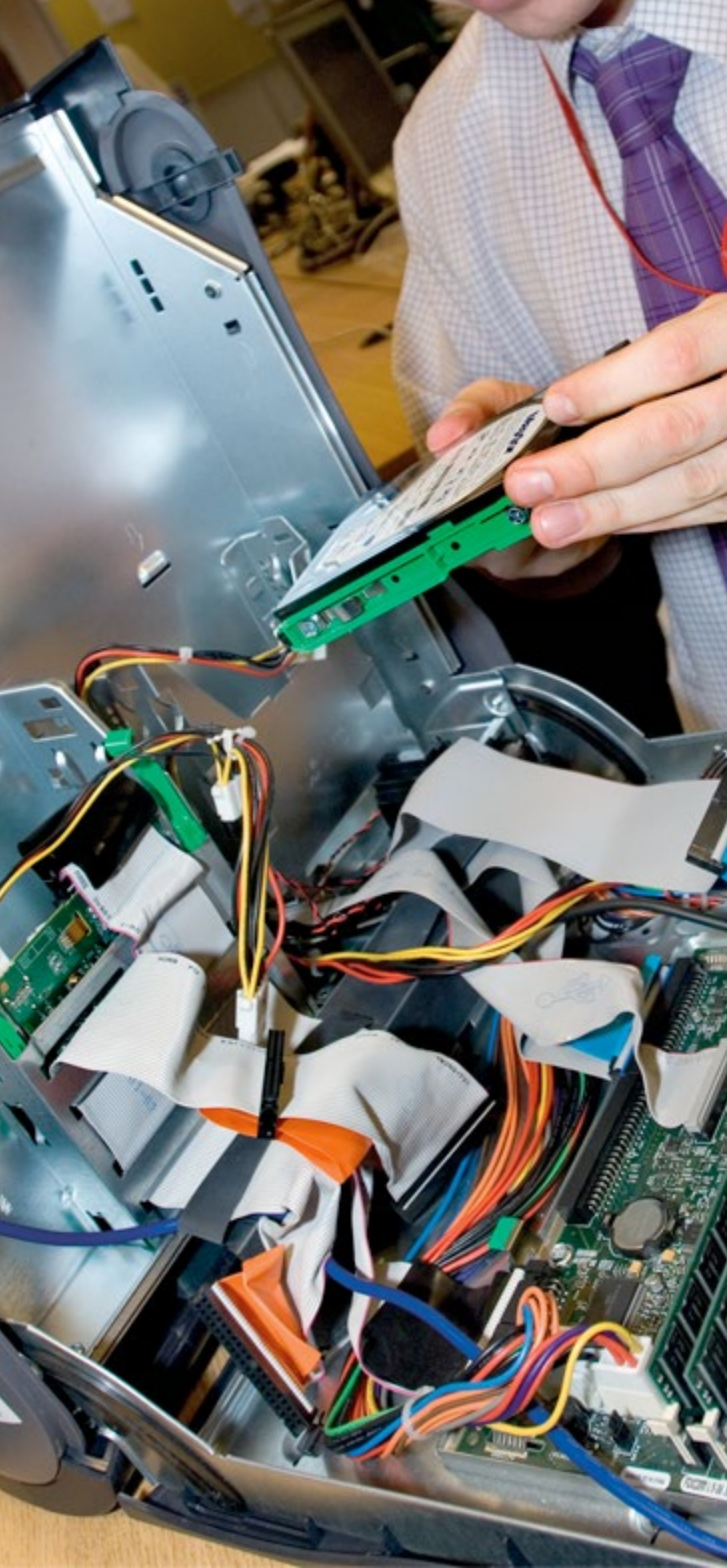
Environment

By 2014/15 (from a 2009/10 baseline) we will:

- cut greenhouse gas emissions by 25% from the whole estate and business related transport
- reduce waste generated by 25%
- reduce water consumption.

Most of the environmental improvements being made will not be visible to our customers; however they will see an overall reduction in the amount of paper they receive from the Agency. Our environmental improvements will make our internal processes more efficient.





Making it happen – IT transformation

DVLA is currently engaged in three simultaneous changes in approach that better reflect the realities of its services.

1

First, we are moving our IT from being treated as a major programme to a service driven continuous improvement approach.

2

Second, we are separating the commercial procurement of IT from the technology programme.

3

Third, we are moving to an agile delivery approach at the project level, as well as having a robust and responsive investment and decision-making board.

Our goal is to move from a state of large-scale IT delivery with a tempo and deliverables constrained by the nature of the current IT contract. Our destination is a state of continuous improvement, with transformation and requirements led by the business. Whereas responsibility for risk management and project delivery was placed entirely upon the prime contractor, now it is the DVLA management team and Executive Board that will make it happen. They will do so in close collaboration and complete compliance with Cabinet Office and Treasury guidelines.

IT capability

We are engaged with the local South Wales digital community and universities to help support, foster and grow a vibrant, local digital community. This will allow us to access locally based talent. This engagement will also benefit the local community, supporting digital entrepreneurs and technology companies.

To support these goals we will:

- actively engage with the South Wales digital community providing both professional support and also hosting events
- engage with the local universities to build up technology sharing, and communicate opportunities available at the DVLA.

We will turn this into reality by using organisations such as the TechHub Swansea. This is a 'not for profit' company which is providing a creative co-working environment to both foster and grow technical companies and the digital community in Wales.

Digital exemplars

We currently offer 65 high level customer-facing services. We have commenced work on digitising these services and by 2017 we aim to transfer these services onto an open system landscape.

DVLA is progressing with a major transformation project that will:

- reduce IT costs
- simplify changes to services, and
- allow easier access to services and data to those entitled to see and use it.

New capabilities are being developed to support this and a new structure created which puts service management at the core of how DVLA will run. We will need to work closely with customers to deliver improvements. New roles have been created specifically to engage with commercial customers and ensure that our IT developments align with their changing needs. The plans are challenging and not without risk. However, this will be mitigated by having a clear plan and transparency around our priorities.



Enquiries

We will deliver our Red Tape Challenge commitments including removing the driving licence counterpart and suppressing the automatic production of the vehicle registration document for vehicle fleet managers by the middle of 2015. Our aim is to make our digital enquiry services so good and convenient that users choose them in preference to all other channels. Our fees strategy will make it cheaper to use our services, but provide extra incentives for using digital.



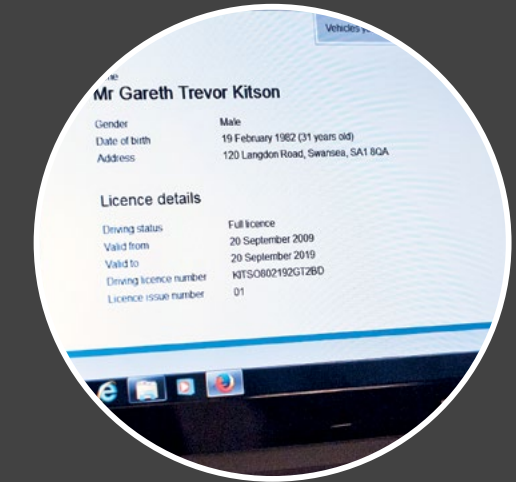
Vehicles Management

The Vehicles Management initiative will allow motorists to notify changes to their vehicle registration details online. This will allow millions of motorists each year to deal with us using digital channels rather than the existing paper based channels. This will bring major customer service and efficiency benefits. We will also increase our target for electronic vehicle licensing transactions to 65% and recognise that this will change in the future as we understand the impact on take up from abolition of the tax disc and the introduction of direct debits.



Personalised Registration

We will deliver real benefits to the motor industry and customers by allowing motor dealers to operate online services to transfer personalised registration numbers between their customers' old and new vehicles. Individual motorists will also be able to take greater control of their records and use self service facilities to transfer or retain numbers online. We will also seek opportunities to increase revenue generated from the sale of numbers.



Drivers

We will provide drivers with easy to use, secure digital services which will allow them to check their details are accurate, update address changes etc. We will explore the opportunities for automating processes and procedures for interacting with the wider medical profession when making decisions on driver's medical fitness to drive. To combat fraud, we will also explore the possibilities of obtaining photograph confirmation via HM Passport Office's Facial Recognition engine.



Business Plan 2015/16

The [Business Plan for 2015/16](#) is the second year in a three year strategic plan. It sets out details of how DVLA intends to achieve against its strategy within the next year, including financial and volume forecasts.

Annex A sets out the specific recommendations coming out of the Reilly Review.

Annex A: Reilly Review recommendations

Recommendation	How DVLA will meet the recommendation	Milestone
DVLA must accelerate and expand its digital transformation		
1. Produce and implement a whole business strategy.	DVLA to publish a 3 year business strategy to commence from April 2014.	Achieved April 2014
2. Set out more clearly how we want to deliver online and digital services.	The 2014/15 Business Plan sets out the way in which DVLA intends to introduce new and accelerated ways of delivering digital services together with delivery dates for the first tranche of services.	Ongoing
3. Develop and publish an assisted digital strategy. Ensure that the move from paper to digital is not detrimental to any groups and find opportunities to work with trusted third parties.	Work on DVLA's assisted digital strategy will commence in 2014/15 aligned to the wider Government Digital Services strategy. As part of the review DVLA will assess the contracts and mechanisms already in place, to establish if they can be used to facilitate an assisted digital service provision. DVLA call centre will initiate a study to investigate the tools that exist in the marketplace that can enable e.g. web-chat services.	Ongoing
4. Develop a consistent approach to self-service, digital casework tracking and digital updates and reminders across all business areas.	Digital tracking and management information requirements will be built into the initial scoping phases of all driver and vehicle services as standard. By the end of the year DVLA will have a common approach for customer notification and progress tracking based on a consistent set of principles.	Ongoing

Annex A: Reilly Review recommendations

Recommendation	How DVLA will meet the recommendation	Milestone
DVLA must accelerate and expand its digital transformation		
<p>5. Bring in a modern IT platform and new approaches to application development and implementation.</p>	<p>Our 2014/15 Business Plan sets out plans for the transformation of the DVLA IT estate and development approaches. The IT transformation framework will be aligned to Government Digital Services principles and ‘agile’ methodologies.</p>	<p>Achieved GDS principles and Agile methodology adopted</p>
<p>6. Stop issuing vehicle tax discs.</p>	<p>Our 2014/15 Business Plan gives a commitment to stop issuing vehicle tax discs from October 2014.</p>	<p>Achieved October 2014</p>
<p>7. Deliver simpler, faster, secure, accurate and bulk transactions for key customers such as the motor trade, fleet operators and hire companies.</p>	<p>Our 2014/5 Business Plan refers to several measures that will assist businesses by reducing internal processing specifically making more information available by introducing the ability to manage records online and the suppression of vehicle registration certificates for fleets. This is the start of a wider holistic process and is linked to the broader DVLA objective to review how it segments customers and meets individual customer ‘type’ requirements.</p>	<p>Ongoing</p>

Annex A: Reilly Review recommendations

Recommendation	How DVLA will meet the recommendation	Milestone
Reduce burden of requirements on customers and open up the way for the private sector to deliver some services		
<p>8. Drivers Medical reform – clear strategic approach by building on the digital transformation.</p>	<p>DVLA plans to introduce a holistic approach to resolving issues with drivers medical services. A strategy consistent with the overall driver services direction will be developed which will set a vision and end states for drivers medical services. Key deliverables over a 24 month period commencing in 2014/15 are:</p> <ul style="list-style-type: none"> • reducing third party specialist service provider costs and time frames • introducing a digital service channel to speed up the process for the customer • introducing a rules engine to remove further, simpler cases from the casework workload, and • focussing attention on high priority/biggest impact cases. <p>This strategy will be articulated formally during 2014/15.</p> <p>Following the discovery work DVLA will produce a plan of action over the 24 months which will include a consultation on age based renewals. This will commence in 2015/16 i.e. following the introduction of the above developments.</p>	Ongoing
<p>9. Drivers Medical reform – enabling drivers to voluntarily give up their entitlement to drive, easily and at low cost.</p>	See the response to recommendation 8.	Ongoing

Annex A: Reilly Review recommendations

Recommendation	How DVLA will meet the recommendation	Milestone
Reduce burden of requirements on customers and open up the way for the private sector to deliver some services		
10. Drivers Medical reform – digital transactions and automated decision making enabling light touch assessment and decision approach for simple cases.	See the response to recommendation 8.	Ongoing
11. Drivers Medical reform – widening options on driver licensing decisions (extended licensing periods).	DVLA will review the options, impacts and potential benefits to the customer of extending licensing periods in certain circumstances. This will begin with a public consultation due to be published in Quarter 1 2014/15 to gather opinion on extending short term licensing periods from 1 to 3 years up to 10 years.	Will be achieved April 2015
12. Drivers Medical reform – separate arrangements for commercial customers where business and livelihoods are at stake.	See the response to recommendation 8.	Ongoing
13. Drivers Medical reform – provide better and more accessible online information and better process design to eliminate sticking points.	System re-design is a key component of the strategy as referred to in recommendation 8.	Ongoing

Annex A: Reilly Review recommendations

Recommendation	How DVLA will meet the recommendation	Milestone
Reduce burden of requirements on customers and open up the way for the private sector to deliver some services		
<p>14. Drivers Medical reform – make it easier for the public to be safe and comply by taking a strategic approach to deliver a high quality, fast, low cost service for drivers with medical conditions.</p>	<p>See the response to recommendation 8.</p>	<p>Ongoing</p>
<p>15. Consider integrated driver and vehicle data where required on customer portals to give a single customer view.</p>	<p>User requirements and customer needs will be fed into the development cycle, ensuring a consistent approach is adopted for data capture and possible future data sharing. A universal approach will facilitate any move to a single customer portal in the future. Integration of data is not essential if it does not impede upon the customer experience. As with recommendation 4, this recommendation will become a general ‘principle’ of service development and will be considered in light of Data Protection legislation.</p>	<p>Ongoing</p>
<p>16. DVLA should consider whether the end to end process of vehicle tax collection could be more economically carried out by a third party provider.</p>	<p>DVLA will produce a cost benefit analysis assessing the value for money offered together with potential options for vehicle tax collection to be carried out by third parties. This report will be presented to the Vehicle Excise Duty Governance Committee, for direction following the delivery and initial assessment of the impacts of the abolition of the tax disc and introduction of direct debit as a payment option.</p>	<p>Ongoing</p>

Annex A: Reilly Review recommendations

Recommendation	How DVLA will meet the recommendation	Milestone
<p>Reduce burden of requirements on customers and open up the way for the private sector to deliver some services</p>		
<p>17. Enable easier access and better understanding of information available to customers.</p>	<p>Review the information services offered to customers in light of wider government strategies and legislative parameters, as part of a more general analysis of the self-service approach. This is linked to recommendations 3 and 4.</p>	<p>Ongoing</p>
<p>DVLA's value as a service provider for government should be optimised</p>		
<p>18. Use our assets to grow new revenue, efficiency and transactional opportunities across government.</p>	<p>Once appointed, the new DVLA Commercial Director will be tasked with looking at how DVLA assets can be used to their full potential. Models will continue to be produced to plan out the scale of underutilised capacity in support of this activity. The Director will be tasked with reviewing the organisation as a whole with particular focus on:</p> <ul style="list-style-type: none"> • print services and sales growth • Personalised Registrations • work for other government departments, and • call centre capabilities. 	<p>Ongoing</p>

Annex A: Reilly Review recommendations

Recommendation	How DVLA will meet the recommendation	Milestone
DVLA's value as a service provider for government should be optimised		
<p>19. The Department for Transport (DfT) should consider further rationalisation of the functions across its agencies, to focus skills, deliver service improvements and promote further efficiency through:</p> <ul style="list-style-type: none"> • printing and mailing services • customer contact centre. 	<p>DVLA will work with DfT throughout the year to develop a strategy.</p>	<p>Ongoing</p>
<p>20. DfT should consider its contribution to this centre following rationalisation by placing its digital services and those required by its other agencies in the same location.</p>	<p>DVLA will work with DfT throughout the year to reach a suitable approach.</p>	<p>Ongoing</p>
<p>21. DVLA working with DfT should simplify the regulatory and policy framework which underpins its work, improve efficiency and reduce the burden on its customers.</p>	<p>DVLA will work with DfT to identify opportunities to simplify the regulatory structure and keep this under review.</p>	<p>Ongoing</p>

Annex A: Reilly Review recommendations

Recommendation	How DVLA will meet the recommendation	Milestone
DVLA's value as a service provider for government should be optimised		
<p>22. Build capabilities as a centre of excellence in licensing and information architecture.</p>	<p>DVLA will develop a strategy for using local resources, people and educational facilities e.g. TechHub Swansea and tools such as apprenticeships and fast stream programmes, to acquire the necessary skills to meet its ongoing strategic objectives. This is an ongoing objective commencing in 2014/5.</p>	<p>Ongoing</p>
<p>23. Clear plan for the recruitment and retention of key skills with an emphasis on retraining those existing staff made surplus as a result of the move to digital and local apprenticeships.</p>	<p>See the response to recommendation 22. In addition to the plan to look to the local community, there is latent potential within the existing workforce.</p>	<p>Ongoing</p>
<p>24. Work with local education establishments and universities and form alliances with private sector organisations, to stimulate the supply side in skills and opportunities. The requirements of DVLA should be oriented to support local small and medium sized businesses.</p>	<p>DVLA will continue to build links with the local community and key businesses within the area. This will ensure that DVLA's approach is consistent and compatible with the economic well being of the region.</p>	<p>Ongoing</p>

Annex A: Reilly Review recommendations

Recommendation	How DVLA will meet the recommendation	Milestone
DVLA's value as a service provider for government should be optimised		
<p>25. Move from headcount plus lump sum approach, to single annual efficiency target of 30% based on net expenditure for the 3 year period.</p>	<p>DVLA will hit its efficiency target of £100m against operating expenditure during 2014/15. The total efficiency delivered during the year will be a 7% reduction against the agreed baseline.</p>	<p>Achieved April 2014</p>
<p>26. Build high performance culture and management.</p>	<p>See the response to recommendation 22.</p>	<p>Ongoing</p>
<p>27. Focus on skills acquisition in Swansea.</p>	<p>See the response to recommendation 22.</p>	<p>Ongoing</p>

