

# 1. Directors' Report

## 1.1 Who we are and what we do

DVLA is an Executive Agency of the Department for Transport (DfT) and is part of the Motoring Services Directorate. For more information on where we fit in Government, see our [Business Plan 2012-13](#)

Our main headquarters is located in Swansea, with a network of 39 local offices across the country. At the end of March 2012, the Agency was employing 5,469 Full Time Equivalent (FTE) staff.

Our main responsibilities are to:

- maintain 44.8 million driver records and 36.5 million vehicle records
- collect £6 billion a year in vehicle excise duty (VED)
- limit tax evasion to no more than 1 per cent
- support the police and intelligence authorities in dealing with motoring related crime.

Each year we handle around 200 million interactions with customers, including over 120 million transactions that include:

- 18.5 million drivers transactions
- 90.1 million vehicle transactions.

We issue:

- 10.1 million driving licences
- 17.6 million vehicle registration documents.

We receive:

- 22.1 million phone calls
- 252,000 emails.

DVLA is leading the way in government in providing electronic services to its customers.

For more information visit [www.direct.gov.uk//Motoring](http://www.direct.gov.uk//Motoring)

## Our vision is to be:

a modern, highly efficient organisation, providing complete, accurate and up to date information and services that fully meet customer and stakeholder requirements.

## Our key purpose is to:

keep complete, accurate registers of drivers and vehicles and make them as accessible and as flexible as possible to those who have the right to use them.

These registers underpin action by DVLA, the police and others to keep road users safe and ensure that the law is respected and observed; allow us to collect vehicle excise duty effectively, and can be used to deliver other government initiatives such as traffic management and reducing carbon emissions.

## The purpose of this document

This Annual Report and Accounts should be read in conjunction with the [DVLA Business Plan 2011-12](#). The Annual Report and Accounts sets out our performance and achievements for 2011-12.

Our corporate documents are now available to view on internet pages. This new format provides the reader with useful links for additional information, easier navigation and transparency.

For more information about DVLA visit <http://www.dft.gov.uk/dvla/>

## 1.2 Managing our organisation

The Agency's Chief Executive and Accounting Officer chairs an Executive Board (EB) of six Executive Directors and two Non-Executive Board Members.

The EB meets formally each month to discuss the strategic direction of the agency and to monitor the achievement of business objectives, including progress against the major change programme for the agency.

The EB also deals with operational issues that are escalated from functional groups that support it. These groups are accountable to the EB for the delivery of the agency:

- operational key performance measures
- change programme
- procurement activities
- financial performance and forecasts.

In addition, the Chief Executive and six executive members meet formally three times a year to review the detailed financial performance and agree any changes to forecast and budgets for the rest of the year.

### Risk management

DVLA's Audit Committee supports the Chief Executive with advice on matters of governance and adequacy of controls in terms of operations and risk management.

The EB reviews the corporate risks monthly and provides guidance to managers on how to respond to the risks they have identified. The risk policy, generic risks and risk horizon scanning is refreshed annually.

For more information, see our Governance Statement on [pages 43 to 54](#).

## Meet our Executive Board



## Executive Board Members

### **Simon Tse**

Simon joined the DVLA in 2008 as Chief Operations Officer. In May 2011, he was appointed Chief Executive Officer. Simon is a business professional with a strong record of accomplishment in modernisation, cost efficiency, customer focus and quality of service, gained in highly competitive private sector markets.

Previous employment includes Managing Director, Wales and West (1998) and Business UK, Board Director (2001) both with Virgin Media.

Simon is also actively involved in local initiatives and current roles include a Non Executive Director of the Hill Community Development Trust, Swansea; and a Board Member for Maggie's Cancer Caring Centre, Singleton Hospital, Swansea. Previously Simon was Senior Executive on the Board of Directors for Clyne Energy Ltd, Advisory Board member for the Business in the Community Wales; Chair of West Wales Confederation of British Industry (CBI), Founder Director of Wales North America Business Council; Trustee Ty Hafan Children's Hospice.

### **David L Evans**

David joined DVLA in 2005 as Central Operations Director. He then worked for three years as Corporate Affairs Director. He took over his current role as Transformation Director in January 2012, responsible for the alignment and co-ordination of change to achieve the Agency's strategic direction by 2022. David has over 20 years business delivery and change management experience in the public sector and has led business start up and merger activities. He has a background in the Whitehall and Brussels policy worlds.

### **Judith Whitaker**

Judith joined DVLA in 2008 as HR and Estates Director from the Audit Commission where she was Area Performance Lead and joint inspector with Office for Standards in Education.

In May 2011, she was appointed Chief Operating Officer: her key responsibility is to ensure the delivery of all the Agency's customer facing transactions. Judith is also Senior Responsible Owner (SRO) for the Efficiency Programme. Judith brings to the Agency her experience of multi-agency working including health, local and central government and Non-Departmental Public Bodies. She has been an examiner for the Chartered Institute of Personnel and Development (CIPD) and is currently on the national CIPD Advisory Panel.

### **Phil Bushby**

Phil joined DVLA in January 2012 as Director of HR and Estates. Phil was previously HR and Estates Director at Companies House. Prior to his time at Companies House, Phil worked for 17 years within the logistics industry for Exel, WH Smith News and Dalsey, Hillblom and Lynn (DHL). He joined Exel originally as a Graduate trainee where he undertook a range of general management roles before moving into HR in 1994. During his time with Exel, he became a member of the Chartered Institute of Personnel and Development (CIPD), which he upgraded to 'Fellow' in 2009. Phil has a wide range of experience across the HR disciplines and has led a number of significant change programmes over the past 10 years.

### **Hugh Evans**

Since joining DVLA in 1976, Hugh has successfully undertaken a wide range of roles including operations and project management, systems development and testing, efficiency and process improvements and policy. Prior to joining the Executive Board Hugh had fulfilled the Head of Policy role for eight years. During this period, he led the policy team through periods of major change, ensuring the agency's policies are in line with government commitments and the necessary legislation is changed or put in place to accommodate this. Hugh also takes the lead for DVLA in helping to maintain the productive working relationship with the European Commission and with

registration authorities based in other EU Member States. He has great experience and knowledge of the Agency's culture and business, which he now brings to the Executive Board.

#### **Paul Evans**

Paul was appointed as DVLA Chief Information Officer (CIO) in 2009. He is responsible for all DVLA IT services and development programmes delivered through an internal team and an outsourced contract with IBM.

He has a post graduate diploma in computing and spent 12 Years as Head of IT UK and in CIO Roles. Paul is also a member of the DfT senior CIO team and is the DfT lead for Government Data Centre, G-Cloud and Apps store initiatives and is a member of the Government CIO Council.

#### **Ieuan Griffiths**

Ieuan is both a Chartered and Public Finance accountant, with nearly 20 years of experience of leading public sector change and major procurement negotiations. He has been in his current post in DVLA since 2001 and has authored the Agency's journey from paper to electronic links and transactions.

He came into the public sector, initially as Finance Director of a University Hospital Trust, in 1994 having previously been a director in the business and IT strategy consultancy of Coopers & Lybrand. He has Cambridge and Bristol degrees in mathematics and holds a doctorate in Change Management. He was a member of the UK Accounting Standards Board Public Sector Committee for 10 years and more recently member of the Treasury Financial Reporting Advisory Board for five years.

Ieuan is a member of Companies House Audit Committee and a Non-Executive member of the Higher Education Funding Council for Wales.

## **Non-Executive Board Members**

#### **Jim Knox**

Jim was previously a Senior Partner at PA Consulting Group where he headed the company's government consulting practice. During his consulting career, Jim led a series of complex procurement and change initiatives for a variety of public sector organisations. Jim was recruited as a DVLA Non-Executive Board Member, partly on the basis of his expertise in outsourcing and IT-enabled business change. Jim is also a special advisor to the National Audit Office on selected value for money reviews. Jim has Chief Executive Officer experience, formerly leading ProcServe, a supplier of electronic commerce systems to both private and public sector clients. Jim has a MSc. in Operational Research (1990) from the London School of Economics and a BA (Hons.) in Politics, Philosophy and Economics (1985) from Lincoln College, Oxford.

#### **Michael Brooks**

Michael was appointed as DVLA Non-Executive Board Member and Audit Committee Chairman in October 2009. He has managed a wide range of finance activities in a number of different environments including start-up situations and established businesses. He has an MSc in Accounting and Finance (1987) from the London School of Economics and is a Fellow of the Chartered Institute of Management Accountants, the Association of Chartered Certified Accountants and the Institute of Directors. In addition to his role as Chair of the DVLA Audit Committee, he has been appointed by the Driver and Vehicle Agency in Northern Ireland to chair its own Audit Committee, which also includes two other independent members. As DVLA Audit Chair, he also serves ex officio as a member of the Department for Transport Group Audit Committee.

### 1.3 Our strategy

The Agency's overall aim is to improve road safety while increasing efficiency and making services easier and more secure for its customers.

The government's modernisation agenda has been underway for some time and DVLA are working fully in line with the [Governments Open Public Service White Paper](#) and the [Government ICT and Digital by Default strategies](#). It has led the way in government e-services and volume transaction handling. In 2012, the Agency appointed a Transformation Director to focus on the continuity required to deliver our strategic direction, including the £100 million per annum savings (compared to the 2010-11 baseline) by 2014-15.

Our progress towards our strategic goals for the year includes the following achievements:

- The savings against our five year plan to reduce operational expenditure by £100 million a year (against our 2010-11 baseline) have reached £32 million at the end of 2011-12. This saving is annual and not one off.
- Major steps in restructuring our operational structures, due for completion in 2012. This will provide a more efficient flow of customer transactions.
- An increased range of transactions available online.
- A success in working with our partners across government as we:
  - launched Continuous Insurance Enforcement with the Motor Insurance Bureau
  - established an electronic link to the Department of Work and Pensions database.
- A setting of firm foundations for the contract let of our major ICT and Front Office Counter Service contracts.

### Red Tape Challenge

The Agency's Strategic Direction proposes a number of changes to help reduce the burden of regulation and support the Government sponsored [Red Tape Challenge](#) simplifying and reducing legislation and the burden on our customers.

### Transforming DVLA services

In December 2011 we opened a consultation exercise that sought the views of the public and our stakeholders on the future shape of the services currently provided from our network of local offices and enforcement centres. This potentially involves a transformation and centralisation of the services currently provided by them into Swansea.

These proposals respond to changing customer needs and expectations, making it easier for customers to conduct their business with the Agency, reducing costs for both customers and the Agency. This will include increasing the range of transactions that can be carried out online or through trusted intermediaries. The consultation has closed and responses are being analysed and a report is to be submitted to the Secretary of State. The result of the consultation exercise is due later in 2012.

### Next steps

For more information see our [Business Plan 2012-13](#)

### 1.4 Our people

During the year, the Agency's HR policy team has supported the development and implementation of DFT wide policies. DVLA is committed to providing learning and development opportunities for staff. During the year we:

- designed a Front Line Manager programme of events for roll out in 2012-13
- delivered two successful internal talent programmes and completed a graduate scheme

- provided opportunities for staff to participate in vocational qualifications and designed business specific indicators for specialist areas.

In 2011-12, the Agency re-structured its communications to improve engagement with staff through a range of internal channels. The Agency carried out two staff surveys during the year:

#### Civil Service Survey 2011

Results showed:

- engagement increased from 54 per cent to 55 per cent
- participation increased by 4.6 per cent (13 per cent since 2009)
- the highest score: 88 per cent of staff said “they have the skills to do their job”

#### DVLA People Survey 2012

Results showed:

- Over 3,000 took the time to complete the survey
- DVLA’s overall engagement index is 55 per cent up by 1 per cent on last year

During 2012-13, the Agency analysed the results of the surveys and will continue working with current initiatives, exploring new ways of improving engagement and staff satisfaction.

#### DfT work placements

In 2011-12, the Agency hosted 122 work placements. The programme will continue into 2012-13 to reach its target of 355. Job Centre Plus reported that 70 out of the 122 participants found work during and following these placements.

#### Health and Safety

In 2011, DVLA renewed its Health and Safety policy in line with the [Occupational Health and Safety management system standard \(OHSAS 18001\)](#). A guide on Health and Safety responsibilities was subsequently issued to all our managers.

During the year, we delivered communication campaigns to all staff on Health and Safety issues including face to face communications on policy and responsibilities.

There have been no improvement or prohibition notices and the Agency remains compliant with health and safety legislation. A representative from the [Health and Safety Executive](#) visited the Agency during the year, resulting in positive feedback on how we are dealing with accidents in the workplace.

#### Diversity

DVLA equality policies promote and support diversity and equal opportunity in the workplace. During 2011-12, the Agency developed Diversity Arrangements for 2012-16. For more information visit <http://www.dft.gov.uk/dvla/Diversity>

In 2011-12 the Agency carried out its second Staff Disability Survey. Early results show that satisfaction levels have improved from the 2010 survey.

### 1.5 Transforming customer service

In 2011-12, the Agency continued to work to improve and transform its customer services.

#### What the customer wants

The Agency carried out a number of customer surveys during the year. Evidence gained from these surveys was analysed and used to improve processes, services and customer satisfaction.

In 2011, we carried out an electronic survey to identify why some customers abandoned their transaction when using the drivers online facility. Using results from the survey, we are working to help identify ‘hot spots’ to improve the customer journey and to encourage more customers to transact online.

In 2012-13 we will continue to use current and explore new methodology to improve customer service. This will include the introduction of the

'Voice of the Customer' a new interactive based survey that occurs after a call to our contact centre.

### **New channel for tachograph cards**

In June 2011, the Agency responded to customer requests to introduce a telephone channel to renew tachograph cards. Over 50 per cent of customers now use this service, with around 50,000 applications made to date.

### **First call resolution**

DVLA's contact centre dealt with 966,554 transactional calls, a substantial increase on the 700,000 figure in 2010-11. This resulted in an increase in first call resolution and increased customer service reducing the number of paper transactions received.

### **Improving accuracy of our records**

DVLA's key purpose is to keep complete and accurate registers of drivers and vehicles so that they are as flexible and accessible to those who have the rights to use them.

In 2011-12, we exceeded our objective to improve the accuracy of the vehicle record. 98.9 per cent of keepers can now be traced from the details held on our vehicle record against a target of 95 per cent.

In 2012-13, we will develop an action plan to deliver improvements in the accuracy of the driver record.

### **Roll out of new 'red' registration certificates**

In October 2011, DVLA started issuing a new red Vehicle Registration Certificate (V5C) as part of the accelerated roll out to customers. This new version has been introduced to reduce the risk of motorists buying a stolen or cloned vehicle following the theft of a number of blank blue certificates from the printers who supply DVLA with the documents. An information leaflet explaining this was provided with the new documents.

We have now issued over 29 million new certificates. Roll out is expected to continue throughout 2012.

## **1.6 Wider government objectives**

During the year and in response to the Cabinet Office [Digital by Default](#) agenda, the Agency worked closely with Government Digital Services and others across government to seek opportunities to reduce overall cost and improve customer service.

### **Stay insured – Stay legal**

Uninsured vehicles on the road cost the insurance industry £500 million a year. This translates to an extra £30 per policy for the innocent motorist. It is an offence to use a vehicle on the public road without a valid insurance certificate. For more information visit [directgov/stay insured](http://directgov/stay-insured)

Each month DVLA compares its records with the insurance database held by the Motor Insurance Bureau. If a vehicle is not insured or the keeper has not declared Statutory Off Road Notification (SORN) then action is triggered. In 2011-12, 330,000 insurance advisory letters were issued and as a result over 120,000 enforcement cases were opened by DVLA. As well as directly drawing vehicle keeper's attention to their legal responsibility to maintain continuous insurance cover, the Agency collected £1.6 million of revenue for Treasury from fine income.

### **Identity checks prove successful**

Online driving licence applications now ask customers to provide their National Insurance number. In June 2011, a new electronic link to the Department of Work and Pensions database provided DVLA the facility to check and applicant's identity. As a result of this, the success rate of a first application for a driving licence has trebled.

This new link is helping to improve accuracy, deliver efficiency savings for DVLA, improve the

customer online experience and results in a reduction in calls to our contact centre. It also helps to safeguard the identity of our customers and helps prevent the hijacking of identities. For more information on DVLA services visit [www.direct.gov.uk/Motoring](http://www.direct.gov.uk/Motoring)

### **Tell us once**

From September 2011, a notification of bereavement sent to the Department of Work and Pensions by Local Authority Registrars is automatically sent to DVLA to update our Driver record. This facility means that the next of kin is not required to notify DVLA, reducing the burden of completing additional paperwork. Over 80 per cent of Local Authorities now provide the 'Tell Us Once' service and the Agency currently receives an average of 1,200 notifications a week.

### **Customer diversity**

In 2011-12 DVLA hosted its first customer focused diversity conference, highlighting customer issues and actions. A range of specialist speakers attended the conference to raise awareness of diverse customer requirements and actions required to support improved customer service. During 2012-13 the Agency will take forward this work to implement improvements.

### **Disclosure of information to auditors**

The Accounting Officer (AO) is not aware of any relevant information of which the auditors are unaware and the AO has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the Agency auditors are aware of this information.