

Chief Executive's message



Over the past 12 months the Agency has met or exceeded 13 out of 14 key performance measures and sustained its commitment to customer service by exceeding all 19 customer service measures, as well as all 8 customer promises. This is a remarkable achievement in its own right but I am delighted to say that we have also continued to make good progress with our ambitious programme of change and in our drive for greater efficiency. In this regard, 14 projects have been successfully delivered this year. The highlight was the launch of Continuous Insurance Enforcement which will deliver significant benefits for road safety whilst helping to drive down the cost to the economy of those who choose to drive whilst uninsured. As for our efficiency drive, in the second year of our five year programme to take £100 million out of our cost base (against a 2009-10 baseline) the running total has reached £32 million, £12 million ahead of where we expected to be at this stage.

A core activity for the Agency is the collection of Vehicle Excise Duty (VED) and we passed an important milestone in the year with the collection of £6 billion of VED for the first time ever. As regards our annual roadside survey suggested that those who choose to evade payment of their duty represented only 0.7 per cent of the total duty collected. This is the second lowest rate ever recorded.

More and more customers are taking advantage

of our electronic services and this year 53.7 per cent of customers chose to transact with us electronically. In particular our award winning Electronic Vehicle Licensing service passed the milestone of 100 million transactions completed. In 2011-12 we reduced our carbon emissions from building and business travel by 5.3 per cent against a 5 per cent target.

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. Our desire is to modernise these services in order to improve customer service and deliver them in the most cost efficient way. This transformation will be a fundamental part of our change journey over the next few years and will contribute significantly to our pledge to deliver the £100 million efficiency savings by 2015. As I write these words, in May 2012, the consultation has closed and we are analysing the responses so that a report can be submitted to the Secretary of State for a decision to be made. An announcement on the outcome will be made as soon as it is known.

Another successful year, I believe, achieved through the commitment and efforts of our staff and managers to whom I extend my sincere thanks. We are all focussed now on maintaining these high standards and delivering the targets set out in our [2012-13 Business Plan](#).

Simon Tse
Accounting Officer and Chief Executive
DVLA

Highlights for the year

Customer service

Customer promises

We met all eight Department for Transport (DfT) customer promises.

Customer service measures

We exceeded all 19 customer service measures.

Customer Service Excellence

In 2011, we retained our [Customer Service Excellence \(CSE\)](#) standard accreditation and achieved our best results yet.

DVLA has held the CSE standard since 2008 and before that Charter Mark from 1993, 18 years of awards for our focus on customer service.

Operational results

We met 13 out of 14 of our key performance measures.

Financial results

The Agency achieved £2.9 million surplus ([see Business Accounts Note 2](#)) compared to a projected £8.1 million surplus.

To date and against our 2010-11 financial baseline we have delivered a sustainable efficiency gain of £32 million, exceeding our target which was £20 million by the end of 2011-12. The efficiencies achieved to date put us slightly ahead of our plans to realise £100 million of annual operating cost reductions by 2015.

Vehicle Excise Duty (VED) Collection

DVLA collected £6 billion in VED, the highest figure ever achieved and over £38 million in fine and penalty income.

Electronic services

Electronic Vehicle Licensing

DVLA's Electronic Vehicle Licensing (EVL) service has exceeded one hundred million transactions since it was launched in February 2004. More than half of all motorists now use our online or telephone service to tax or declare Statutory Off Road Notification (SORN).

Wider government objectives

Continuous Insurance Enforcement

Continuous Insurance Enforcement (CIE) is a joint government and insurance industry initiative to combat uninsured driving, reducing the burden on the honest motorist. In June 2011, the Motor Insurance Bureau issued the first advisory letters to potentially uninsured drivers. DVLA started issuing enforcement letters in July 2011. [For more information see page 18.](#)

New links to improve accuracy and efficiency

Since June 2011, a new electronic link to the Department of Work and Pensions database provides DVLA the facility to check an applicant's identity through the submitted National Insurance number. As a result the success rate for first applications for a driver licence has trebled. [For further information see pages 18-19.](#)

Our contribution to the Government's Transparency Agenda

In 2011-12, the Agency produced its first electronic [Business Plan](#). The plan provides monthly/quarterly updates on performance against our business objectives. Our corporate documents are now more transparent and accessible for the reader. For more information on DVLA's Transparency Agenda visit www.dft.gov.uk/dvla/about/transparency.

Awards and accreditation

Electronic services award

DVLA's Electronic services won the Public Value Award at the Civil Service Awards in London in November 2011. Now in their fifth year the awards provide the opportunity to recognise the outstanding achievements of Civil Servants.

Carbon Trust Standard

In 2011, DVLA was awarded the [Carbon Trust Standard](#) for the first time as recognition for its achievements in carbon reduction and commitment to environmental improvements.

Two Ticks

The Agency has been re-accredited with the [Two Ticks](#) 'Positive about Disabled People' symbol in recognition of its actions to support disabled people in the workplace.

DVLA accredited customer global standard award.

DVLA's Contact Centre has been accredited with the Customer Contact Association Global Standard 5. This accreditation provides recognition for the excellent work of the staff in the Contact Centre and is strong evidence of best practice and comparison of our positive performance against other best public and private contact centres.

Successful audit review

The Agency successfully maintained its ISO 27001 Information Security Management Systems certification from the auditor appointed by British Standards Institute in April 2011.

Information Fair Trader Scheme

In 2011, the Agency successfully re-gained accreditation to the [Information Fair Trader Scheme](#) (IFTS). The IFTS sets out the regulations for those wishing to re-use public sector information. These regulations encourage organisations in the public sector to make information available to support the UK

information business. They are based on the principles of fairness, transparency, non-discrimination and consistency. The aim is to open up the market place for information supporting the [Government Transparency Agenda](#)

Government diversity award

In 2011, DVLA staff and Customer Diversity Team were presented with the a:gender Meerkat award by the then Permanent Secretary Lin Homer. a:gender is the Civil Service Transgender staff networking support group and the award recognises the Agency's work towards transgender equality to improve the quality of information available to customers and staff.

Things we could have done better

Sustainability

In 2011-12 we reduced carbon emissions by 5.3 per cent slightly more than the 5 per cent reduction planned for the year. Following an adjustment to the 2010-11 performance, our cumulative reduction is 7.1 per cent against a target of 10 per cent. By 2015 we are aiming for a 25 per cent reduction and have revised plans to achieve this.

Sick absence

In 2011-12, the Agency narrowly failed to achieve no more than 7.2 average working days lost through staff sick absence coming in at 7.5.(7.12 in 2010-11). The Agency has however, made great strides in reducing sick absence over the years. Since 2005, by making it a consistent management priority to manage attendance carefully and support the health and well-being of staff, DVLA has halved the average working days lost to sickness. This work was included as a case study of good practice in a government commissioned report “Health at Work – an independent review of sickness” published by Dame Carol Black and David Frost CBE in 2011.

In 2012-13, we aim to reduce our sick absence to no more than 6.9 days lost through:

- active and sensitive management of lengthier absence
- the delivery of a ‘Changing Minds’ programme to raise awareness of and provide guidance and support for mental health issues.

Key performance measures 2011-12

		2011-12	2010-11
Change			
1	Continuous Insurance Enforcement Build up and maintain full capacity issuing reminder and penalty letters to vehicle owners	Achieved DVLA started issuing enforcement letters to uninsured drivers in July 2011	Not achieved The first Insurance advisory letters were issued 3 months late as a result of legislative delay
Collection of VED			
2	Collecting tax for the government Collect the maximum amount of VED possible within the funding envelope agreed and in consultation with the VED Governance Board	Achieved £6 billion	Achieved £5.8 billion and through enforcement action collected £109.5 million over 3 years
Service delivery			
3	Accuracy (traceability) Maintain the accuracy of the vehicle register so that a registered keeper can be traced from details held on record in 95% of cases	Exceeded 98.9%	Exceeded 97.8% of cases
4	Customer satisfaction Deliver the 8 DfT Customer promises	all 8 achieved	all 8 achieved
5	Digital services Increase take up to 53%	Exceeded 54.9%	Exceeded 51 % (against a target of 49%)
6	Sustainability Reduce carbon emissions from Agency operations, buildings and all business related transport by 5%	Exceeded 5.3%	Not achieved 1.8%
7	Freedom of Information Provide a 93% response within 20 working days	Exceeded 98.1%	Exceeded 97%

		2011-12	2010-11
8	Parliamentary Questions Provide a 85% response within due date	Exceeded 99.3%	Exceeded 96.7%
9	Member of Parliament correspondence Provide a 85% response within 7 working days	Exceeded 99.5%	Exceeded 99.7%
10	Official correspondence Provide a 80% response within 20 working days	Exceeded 98%	Exceeded 98.6%
11	Prompt payment Pay 80% of invoices within 5 working days	Exceeded 95.2%	Exceeded 86.9%
Financial performance			
12	Agency finance Make further efficiency savings as part of a wider and continuing Change Programme	Exceeded £32 million	Exceeded £46 million (against 3 year target)
	Deliver financial performance in line with formal DfT breakeven expectation	Exceeded* £2.9 million surplus	Exceeded £24 million surplus
13	Headcount Achieve a headcount reduction by further improvement in efficient deployment of staff (see page 21)	Exceeded 5,469 Full Time Equivalents	Achieved 5,561.3 Full Time Equivalents
14	Sickness absence Ensure the number of working days lost due to sickness is no more than 7.2 days	Not achieved** 7.5 days	Exceeded 7.12 days

* The Business Plan forecast was £8.1 million as a result of a £659 million total inflow of funds, but with a formal target provided by the DfT expectation of breakeven on fees.

** see 'Things we could have done better'

Customer service measures	Target 2011-12	Result
Driving licences		
To deliver a first driving licence within 8 working days	98%	✓
To deliver a vocational licence within 8 working days	98%	✓
To deliver an ordinary driving licence within 10 working days	97%	✓
To deliver a digital tachograph renewal in 8 working days	98%	✓
Medical investigations		
To conclude a simple case within 15 working days	88%	✓
To conclude a complex case (one that requires further medical investigating) within 90 working days	85%	✓
Vehicle registration document		
To deliver a first registration document, excluding cherished transfers, within 14 days	95%	✓
To deliver a change on a registration certificate within 14 working days	95%	✓
To deliver a registration document from an application (notifying changes to the registration certificate) within 30 working days	95%	✓
Vehicle excise duty refunds		
To deliver a refund due within 30 working days	95%	✓
Customer service		
To answer call demand	95%	✓
To deliver quality of service in the Contact Centre	85%	✓
To answer an email within 3 working days	95%	✓
Keep average local office queuing time to no more than 15 minutes	15.00	✓
To deliver a cherished transfer within 7 working days	95%	✓
Customer complaints		
To acknowledge a complaint within 1 working day	100%	✓
To maintain or improve on last year's performance sending a substantive response within 10 working days	98%	✓
MP correspondence		
To acknowledge correspondence within 1 working day	100%	✓
To maintain or improve on last year's performance sending a substantive response within 7 working days	98%	✓
Overall	To achieve 17 of 19	Exceeded 19 of 19

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

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

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.

2. Management Commentary

2.1 DVLA operations

This section of the report comments on transaction volume trends, agency workforce, our change portfolio, efficiency, income and expenditure and sustainability.

Transaction volumes

First applications for a driving licence have continued to remain stable at just over one million a year. Vehicle volumes have increased slightly with vehicle first registrations falling by 0.3 per cent when compared with 2010-11 (almost 20 per cent below the levels prior to 2007).

	2010-11 Actual	2011-12 Actual	2012-13 Business Plan
Vehicle volumes	99,859,095	100,982,270	103,671,564
Driver volumes	15,393,658	15,609,638	16,890,684
Electronic take up target	49%	53%	54%
Electronic take up (actual)	51%	53.7%	n/a

In 2011-2, the Agency received 22,120,739 million customer enquiries to its contact centre, a drop of 1,369,555 (5.8 per cent) from the previous year. DVLA local offices dealt with 2,224,181 visits for its counter services. The average queuing time within the local office was 10 minutes 34 seconds, an increase of 40 seconds (6.46 per cent) compared to the previous year.

In addition to the high volume of routine calls and correspondence, the Agency has to reply promptly to Members of Parliament or to complaints from customers. During the year our performance was:

2011-12	Parliamentary Questions	MP Correspondence *	Official correspondence **	Freedom of Information	Replies to complaints
Target	85% within due date	85% within 7 working days	80% within 20 working days	93% within 20 working days	98% within 10 working days
Total received	139	1,597	820	501	2,894
Missed	1	7	16	6	10

* [See Glossary of Terms](#)

** DVLA target is to provide a response to DfT within 7 working days as part of the overall 20 working day target.

Public Sector information

As a holder of some of Government's largest databases – registers of vehicles and drivers - the Agency charge for the release of information in line with guidance from HM Treasury and the Office of Public Sector Information. In 2011-12 we carried out an annual review of our fees and charges. No changes were made, although a consultation exercise on the subject is anticipated in 2012-13.

During 2011-12 there were nine low level data breaches involving individual personal records. None of the breaches required the Information Commissioner's Office (ICO) to be informed, though we did so in line with best practice. There is no suggestion that any of these information breaches could have been used to facilitate financial fraud against customers or third parties.

Workforce

In 2011-12 the Agency continued to reduce the size of its workforce (92.3 FTE less than 2010-11), mainly as a result of productivity, process automation and channel shift. We achieved a reduction in staff numbers to 5,469 full time equivalents as at 31 March 2012 against the 2011-12 projection of 5,480.

2.2 DVLA Change portfolio

As DVLA approaches the end of its current IS/IT support contract in 2015, it is making decisions about the priority and sequencing of all work, to provide for a clean transition between existing and future support arrangements. The Government's efficiency and digital agendas continue to drive the direction and pace of Agency developments and are helping us to make the case that we must offer innovative and effective services which are convenient for our customers.

Performance against change 2011-12	Milestone dates	Performance 2011-12
1.Efficiency Programme		
Electronic Services and Intermediaries Northern Ireland Vehicle Information System migration to Vehicle System Software (VSS)* Migration of Northern Ireland (NI) Vehicle Systems to VSS. Incorporation of bar coding on all re-licensing for NI and preparation for migration on NI Vehicle records	Full migration complete April 2013	June 2013
Driver licence renewal online	April 2011	Achieved
Courts update for driver records online	March 2012	Achieved
Tachonet renewal over the telephone	August 2011	Achieved
Tachonet sent to home address (if meets certain criteria)	March 2012	Achieved
Extension of Post Office® Driver services for Ten Year Renewals	March 2012	Achieved
Enhancement of online Fleet services	March 2012	November 2013
Change of keeper and vehicle details online: feasibility and design	July 2013	July 2013
Process Re-engineering Change processes to allow for centralisation of functions	Ongoing	Ongoing
Wheelclamping	April 2012	April 2013
Internal process review	Ongoing	Ongoing
Review and re-appraisal of refunds processes and Direct Debits**	December 2012	Ongoing Revised by HMT
Smart Forms Intelligent forms for online usage	March 2011	Ongoing
Direct printing of forms at the Post Office®	April 2011	March 2013
Scanning improvements to extend automation	May 2011	Not going forward following feasibility study
Workforce Productivity HR – Next Generation HR restructuring and cross-DfT working	August 2011	Achieved
Management training to raise effectiveness	April 2012	Achieved

Centralise and automate management information (My Stats)	July 2011	December 2012
Review of workforce capacity and capability	November 2011	Ongoing
Income Generation		
Sale of previously issued registration numbers	June 2011	To be agreed
Driver Licence Check feasibility study for pilot roll-out	To be agreed	To be agreed
2. Mandatory Programme		
EU Third Drivers Directive – systems changes (excepting RESPER)	Fully live January 2013	January 2013
Continuous Insurance Enforcement	Full capacity December 2011	Achieved
Insurance Company enquiries to validate data for quotations	Fully live October 2013	June 2014
Accelerated roll-out of new V5C documents	October 2011	Ongoing
Implementation of Budget changes for 2011	April 2011	Achieved
Enquiry facilities for private enforcement of vehicles on private land	March 2012	Achieved
3. Infrastructure Programme		
Replacement of Current Photograph Store		
Replacement of current 'Natural Image' software to bring current software into Fujitsu support	December 2011	December 2013
Payment Card Data Security (PCDS) standards		
Joint project with DWP to ensure that the Agency's systems are compliant with the Payment Card Industry Data Security Standards (PCI-DSS) as mandated by the industry	December 2012	Achieved
DWP Link		
Link DVLA with the DWP customer database (CISx) to validate customer identity when establishing new driver records	June 2011	Achieved
Driver Medical: e-services		
Feasibility study on options to introduce online services for renewal of short period driver licences for medical reasons	March 2012	Ongoing
Weblogic Update		
Move from the current version of the Weblogic software (which underpins all DVLA e-transactions)	June 2011	Achieved
Desktop Update		
Completion of the move from Windows 2000 and Novell GroupWise to Windows Vista and MS Outlook. Rationalisation of desktop build	June 2011	Ongoing
Data Centre Consolidation		
Migration of remaining services to the new DVLA data centres	June 2012	December 2012

from Salford scheduled for demolition		
Migration from obsolete DVLA data facilities into new DVLA data centres in Swansea	May 2012	October 2012
Technical ICT Equipment Refresh		
Large scale refresh to update main vehicles systems equipment to remain within support contracts	Ongoing	Ongoing
Hardware and software update for internal casework systems	November 2011	December 2012
Security Updates and Improvements		
Identity and access management – implementation of access management systems to remedy weaknesses identified	September 2013	Ongoing (restructured)
Technical vulnerability reduction – restructuring of network and application architecture to improve security controls and compartmentalisation of systems	February 2011	Achieved June 2011
Security software updates, new security related installations and work to address specific security issues identified by review	Ongoing through year	Ongoing
4. ICT Contracts Procurement Programme		
Engage with DfT family to confirm the policy and subsequent strategy for initial programme structure and governance	April 2011	Achieved
Set up Core Team (circa 20 staff)	September 2011	Achieved
Procurement and engagement of specialist support	September 2011	July 2012
Legal review of contract and exit terms	December 2011	Achieved
Review and decision on future requisition and contract structure at high level	February 2012	Achieved
Definition of scope of data centre consolidation for DVLA	March 2012	Achieved
Cross-Agency development plans for data centre consolidation	March 2012	June 2012

*Project re-aligned from Infrastructure to Efficiency Programme

**After joint consideration with HM Treasury, Direct Debits was not taken forward in 2012 and will be subject to a HMT review following amendments in the April budget.

2.3 Procurement and contract management

In 2011-12 DVLA awarded or extended 78 contracts valued at around £325 million. The Agency also developed and increased its capability to manage key suppliers making the best use of their skills and capabilities, actively contributing to the management and mitigation of the Agency's commercial risks.

During the year we:

- Delivered projected savings of over £55 million from our contracts in year, around £10 million of which represents a recurring annual contribution towards our £100 million efficiency target.
- In line with the Cabinet Office measures for our commercial activity, ensured compliance with the Government's Transparency Agenda in advertising contracts and publishing contract award information.
- Proactively engaged with Cabinet Office Crown Representatives on commercial activities, including ICT, Mail, and SME contracting.
- Acted as procurement lead for high value pan-Government contracts for polycarbonate cards and for credit/debit card transaction services.
- Led the negotiations on behalf of the DfT for supply contracts in the areas of printing, postage and recruitment.
- Awarded a new contract for wheelclamping which has been operational since November 2011. The Contract includes provisions to enable action to be taken against uninsured vehicles, in addition to its core purpose of acting against unlicensed vehicles, if and when required by the Agency.
- Contributed to the Government's Small and Medium Enterprises (SME) agenda by publication of a DVLA SME strategy and by taking a proactive approach to engaging with small and medium sized businesses through various events.
- Prepared the ground of our major ICT and Front Office Counter Services contracts (the latter on a pan-Government basis), comprehensively consulting with the market and key stakeholders in government.

DVLA Estate

Following successful delivery of an Estates Transformation Programme, DVLA now has modern and flexible accommodation that has helped reduce its running costs by over £20 million over 10 years. The Agency has introduced initiatives that are considered best practice for space standards and utilisation well ahead of Government Property Unit targets. The introduction of non-territorial working across the Swansea campus sites has contributed to space standards now averaging at 8 square metres per workstation with utilisation as low as 6 square metres per FTE in some locations. Over 11,600 square metres of accommodation has been vacated and returned to landlords. This is equivalent to a 14 per cent reduction of the Swansea Headquarters accommodation.

During 2011-12:

- DVLA actively promoted sharing of vacant space at a number of its local offices including HM Revenue and Customs and the Crown Prosecution Service. As a result of this our running costs have been reduced, helping other departments vacate their existing premises which in turn, has reduced the overall size of the wider civil estate.

- Utilised our extensive meeting and conference facilities for other government departments.
- Consolidated our joint working with the UK Border Agency and Identity and Passport Service, who now operate a customer facing operation from our Swansea Estate.
- We have continued to improve the environmental performance on our estate, for more information [see pages 34 to 35](#).

2.4 Finances and efficiency

Financial Performance

The Agency Accounts are made up of the [Business Accounts](#) and the [Trust Statement](#).

The Trust Statement brings to account the revenue collected by the Agency that is due to the Consolidated Fund. It incorporates the Licence Fees and Taxes from Vehicle Excise Duty and Fines and Penalties from Enforcement.

DVLA's business is segmented ([see Business Accounts - Note 2](#)) between:

- Maintenance of our driver and vehicle databases and services which include the release of information from DVLA's registers under the reasonable cause provision and services to other public bodies (more widely across government). These are funded from fees and cost recovery charges.
- Collection and enforcement of vehicle excise duty (VED), which is covered by Supply Funding (parliamentary voted funds).
- Sale of personalised registrations, which represents commercial income directly from the public. We retain only sufficient funds to cover our costs with all excess income being paid over directly to HM Treasury.

The Agency is required to breakeven year on year. It is only the fee funded operations that can give rise to a true surplus, although the Agency has a duty to achieve breakeven over a period of time. In setting our annual budgets, we allow for a certain amount of unforeseen costs and unanticipated drops in customer demand (leading to decreases in income) so that we can get as near to breakeven as possible. Small percentages of change in either income, which is demand led, or of costs can lead to swings in the bottom line that are significant, due to the scale of its income and expenditure.

Business accounts

In our Business Plan 2011-12 we estimated a small surplus of £8.1 million and this compares to the actual outturn surplus of £2.9 million, ([see Business Accounts - Note 2](#)). The outturn surplus variance (of 0.8 per cent compared to income turnover for the year) is used by our Executive Board as one of the measures of the effectiveness of our financial budgeting and control mechanisms.

We successfully delivered a result that was close to the Business Plan 2011-12 through increasing our cost savings, even though we recognised £46.3 million for potential costs of transforming our services ([see page 27](#)) for future organisational changes that was only partly offset by a £11 million increase in income. These costs have been scored against the relevant expenditure categories ([see also Business Accounts - Note 13](#)).

Income

Compared to the Business Plan 2011-12, our fee income was up by £11.0 million. This net increase included:

- an increase in 'Other Income' of £17.6 million, mainly accounted for by a demand led increase in Cherished Transfer volumes over initially estimated amounts
- a small increase in Vehicle First Registration income of £4.4 million, due to a small additional recovery in new vehicle sales
- a decrease in Drivers related income of £11.0 million, the majority of which was due to lower volumes in First Applications, Exchanges and Renewals and the anticipated Vocational Fee changes that did not reach expectations.

Expenditure

The total direct expenditure for the year of £586.2 million included exceptional cost recognition for the organisational restructuring needed to transform DVLA services estimated at £46.3 million. The remaining business as usual outturn of operational expenditure at £539.9 million was £16.5 million less than our Business Plan 2011-12. This was mainly due to the re-prioritisation of our Strategic Agenda and our continued drive towards reducing costs which included major reductions in accommodation, printing and postage, and staff related costs.

Key points to note on spending during the year were:

- as part of the government's transparency agenda, all individual cost items over £500 are itemised on [our website](#).
- performance against our prompt payment target for payment of suppliers within five days was 95.2 per cent exceeding the target of 80 per cent.

Transforming DVLA services

A consultation paper on transforming DVLA's services through centralisation of services, supported by the increased use of intermediaries and electronic channels was launched in December 2011 ([see pages 17 to 18](#)). Millions of motorists are set to benefit from greater choice and flexibility in how they deal with the DVLA under the proposals.

The Secretary of State will decide the way forward taking into account the many responses received, the benefits foreseen and the overall Government drive to decrease its costs whilst safeguarding the quality of services provided. If adopted, the proposals would change the shape of the Agency and provide efficiency savings of around £28 million a year. The potential transitional costs of £46.3 million have been provided for in the 2011-12 accounts ([see Business Accounts Note 13](#)).

Efficiency

The Agency's current efficiency aim is to achieve £100 million in operating costs savings by 2014-15 (as measured against the Business Plan 2010-11 baseline). This performance measure builds on efficiency objectives exceeded in previous years. Achievement of the latest target will continue to promote the Agency's reputation for delivering value for money, as it has delivered on every efficiency target it has been set since 2001.

The efficiency measure in the Business Plan for 2011-12 was £20 million. The reported efficiency delivered as at the end of March 2012 is £32 million. This represents a sustainable annual saving against operational expenditure and significant progress in moving towards our strategic efficiency plans. The achievement of its service targets and in many cases improvement against previous year performance ([see pages 9 to 11](#)), suggests the Agency has achieved these savings without impacting on its quality of service.

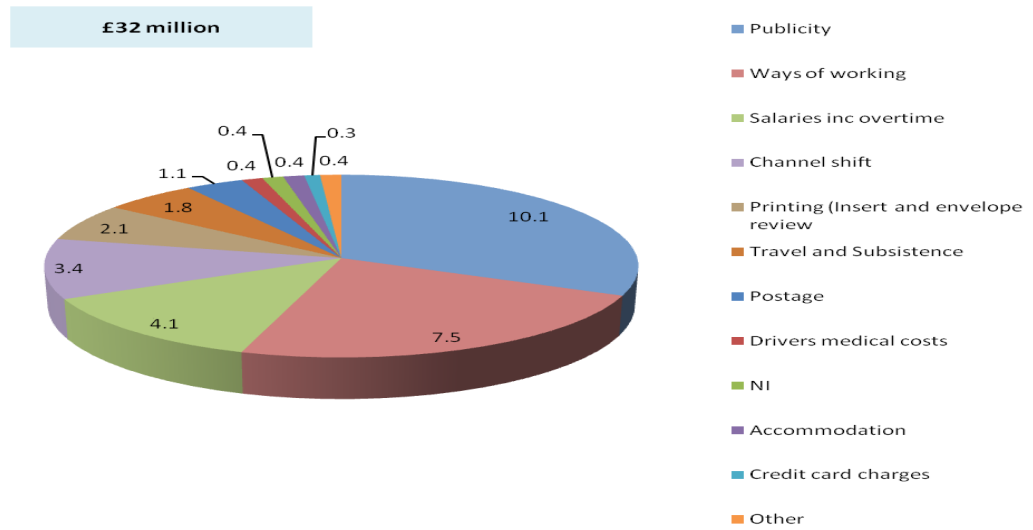
A new programme structure was established during the year aimed at driving efficiency and greater technical resilience whilst still complying with mandated/legislative organisational change. The Agency also started to prepare the ground for its IS/ICT contract let, the outsource service contract that critically underpins its operations and comprises today of nearly one-third of its operational costs. This is an ambitious programme aimed at enabling the Agency to best manage its development in IS/ICT, meeting the Government ICT strategy and providing the necessary flexibility and value for money tools to drive efficiencies in the future.

The efficiencies delivered are focussed on productivity. As time progresses, the proportion of major transformational change based efficiencies will increase. The Agency strategy will enable further savings to be made, particularly in respect of the Agency's vision to move to a digital by default environment and realise channel shift efficiency has to be supported by a robust, rationalised IS/ICT infrastructure.

The efficiency achieved in 2011-12 was made by reducing the Agency's operational expenditure by:

- Reviewing internal business as usual processes.
- Channel shift from expensive, resource intensive manual routes to less expensive electronic methods. From the baseline position in 2010-11, £2.3 million of efficiencies have been generated through channel shift building on previous efficiency gains in this area.
- Driving efficiencies through re-negotiation and re-tendering our contracts, for example we have negotiated significant savings in our IS/ICT service provision (around £7.5 million that meet the criteria for the current target). In addition the Agency Merchant Acquirer agreement was re-let resulting in significant Agency and cross government price reductions (the full benefit of the changes will not be apparent until 2012-13).
- A more radical transformational change through our efficiency programme. For example a consultation exercise was initiated in 2011-12 aimed at reviewing the way in which we can transform our services ([see page 16](#)).
- A review of our policies and procedures, for example by changing the policy on marketing to low/no cost alternatives the Agency has generated savings (around £10 million) and by minimising travel further reductions in operational expenditure have been made.

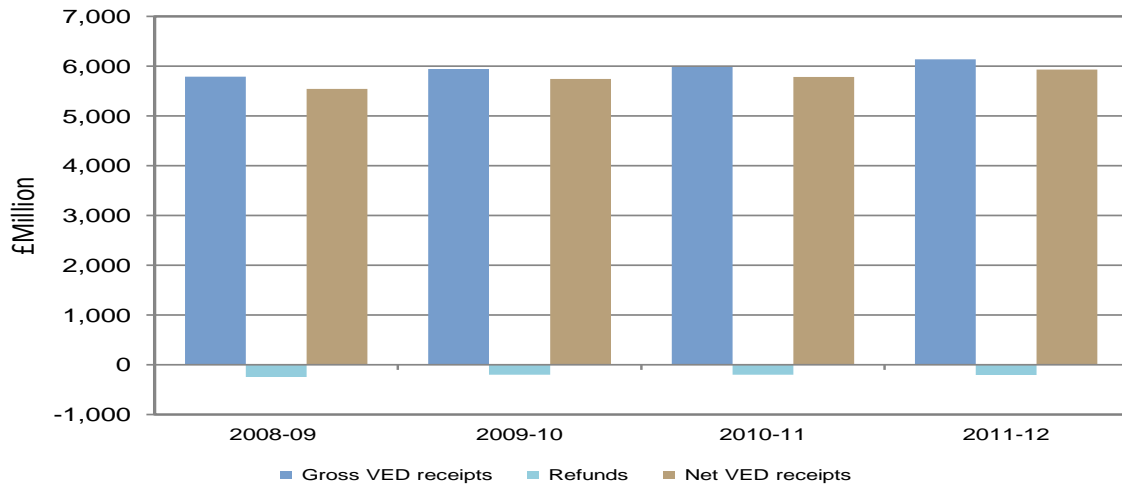
2011-12 Cumulative Outturn savings against £100 million overall target (by 2015)



Vehicle Excise Duty (VED) collection and enforcement collection

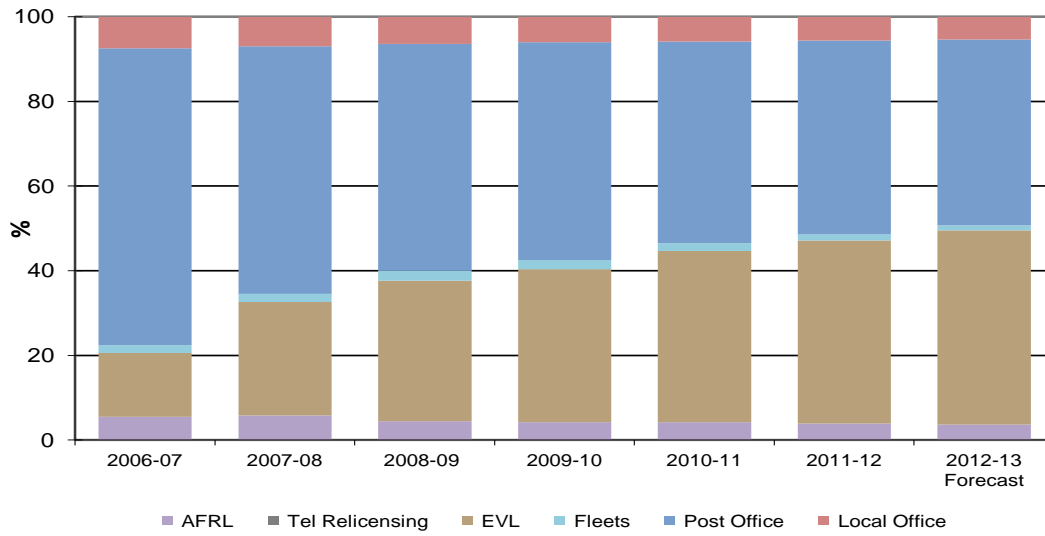
Gross VED receipts in 2011-12 amounted to over £6 billion for the first time ever, with refunds amounting to £203 million. This is the largest net total ever collected by the Agency.

Vehicle Excise Duty collected



Electronic Vehicle Licensing (EVL) transactions have increased to 57 per cent of all VED transactions undertaken. Take up is based on the number of EVL transactions compared to the volume of reminders issued. The Automated First Registration and Licensing transaction continues to be undertaken (88.6 per cent of all new licensing) through our electronic channel.

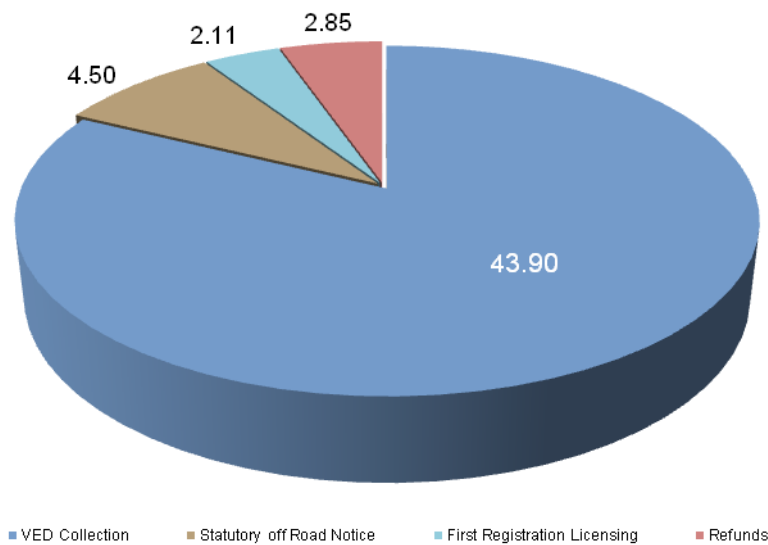
Vehicle Excise Duty Collected by Channel



Transaction volumes

The key transaction categories included in the VED Service Level Agreement accumulate to a total of 53.36 million transactions.

Transaction Volumes (millions)

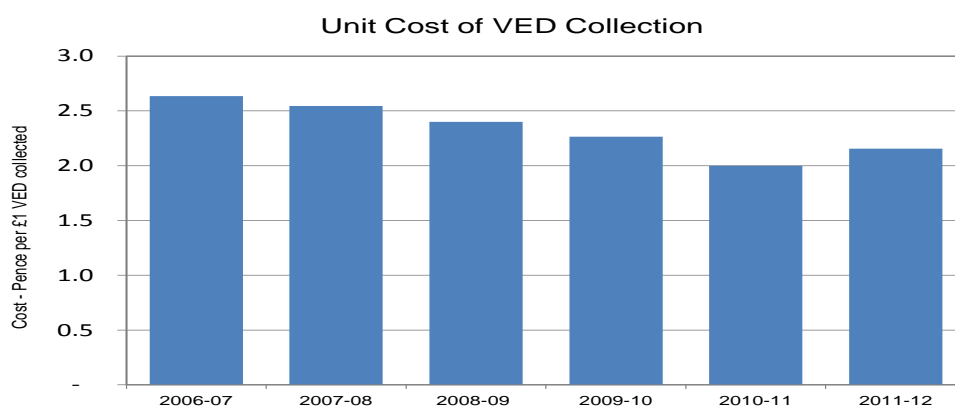


Cost of collection

In 2011-12, the costs of Vehicle Excise Duty (VED) collection was £127.8 million (against a budget of £128.6 million), comprising of a direct revenue expenditure of £124.4 million and capital expenditure of £3.4 million in respect of VED ICT system changes.

DVLA has continued to deliver significant cost reductions through channel migration for VED collection, especially when the public sector deflator is taken into account. This has been possible through channel shift to electronic services.

In terms of costs of collection (pence per £1 VED collected) bearing in mind that Statutory Off Road Notification and refund costs are also included, as are costs of issuing 'nil value' tax discs for exempted categories of vehicle keepers (mainly disabled keepers or cars initially registered before 1973, [see accounts for details](#)), the profile in cash terms without adjusting for inflation is shown in the Unit Cost of VED Collection table below.



Enforcement

National statistics following the 2011 roadside survey estimated that VED compliance increased slightly from 99.1 per cent in 2010-11 to 99.3 per cent in 2011-12, resulting in the second highest collection rate the Agency has achieved. Operational data since the survey results suggests this rate is continuing to improve and evasion continues to fall. It was estimated that only £40 million was lost through evasion in 2011-2012, compared with £46 million in 2010 –2011. A proportion of this initially uncollected revenue was subsequently recovered through DVLA enforcement activity. The survey continues to show a high level of compliance and we continue to review and revise our enforcement strategy to keep evasion low. DfT have decided to undertake the roadside survey every two years instead of annually, so the next survey will be carried out in 2013.

Automated Number Plate Readers

The Agency's static Automatic Number Plate Reader cameras encourage compliance and relicensing by issuing keepers of unlicensed vehicles a warning that their vehicle has been seen unlicensed on the road. To date, almost 59,000 letters have been issued to keepers identified as untaxed and of those 55 per cent have relicensed their vehicles. Work is progressing to gain Home Office Type Approval to enable prosecution activity to be undertaken.

DVLA has also been working closely with the Cabinet Office Behavioural Insight Team which is tackling cross government debt and efficiency opportunities. As part of that activity DVLA has trialled the use of images on specific Automated Number Plate Readers (ANPR) letters dispatched which has demonstrated a 33 per cent improvement on results. DVLA is also a member of the Cross Government Debt working group sponsored by the Cabinet Office.

Wheelclamping

In 2011-2012 there were 61,677 vehicles wheelclamped as a result of non payment of the vehicle excise duty (VED) by the registered keeper, in addition 16,773 enforced notices were placed on unlicensed vehicles, a reduction from the previous year. This reflects the reduction in evasion, transition to a new contractor and a change in policy, where vehicles are now clamped after two months of being unlicensed, as opposed to previously one month.

Debt collection

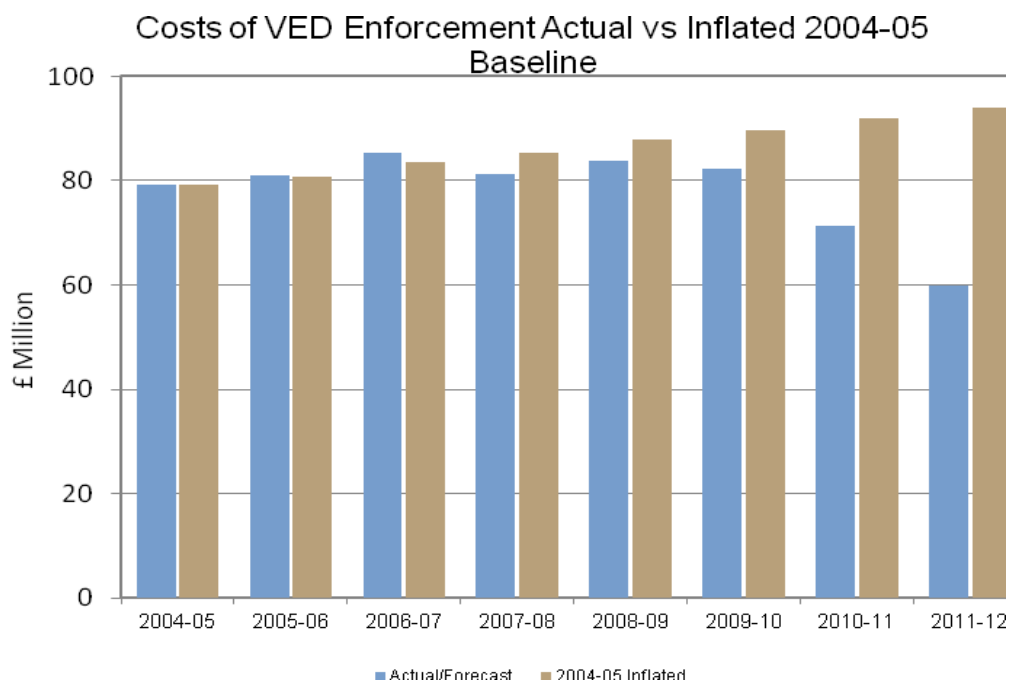
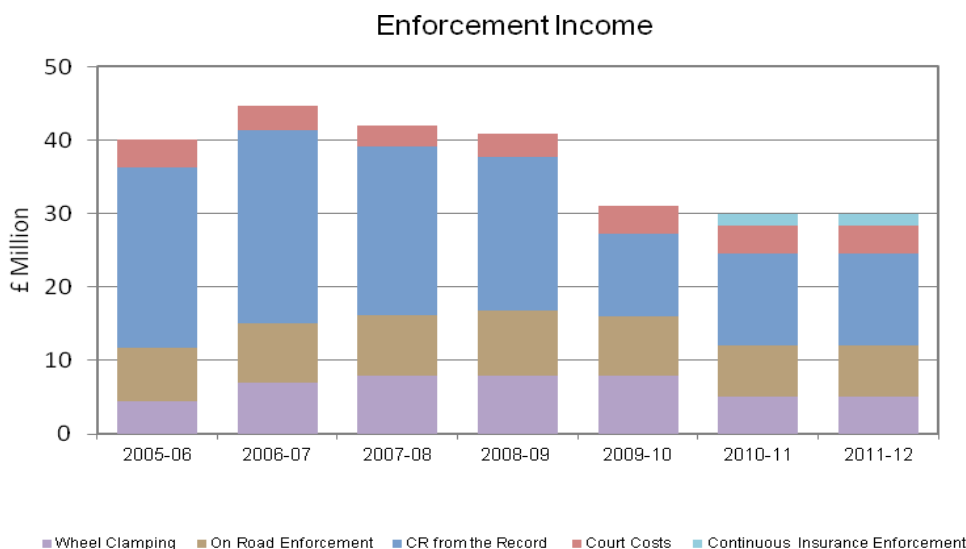
DVLA's debt collection agents have continued to exceed their contractual targets for 2011-2012, collecting £7.2 million gross in unpaid Continuous Registration (CR) penalties. Over 1.7 million unpaid CR cases have been passed to debt collectors since the contract started in 2008, raising £34.3 million.

Continuous Insurance Enforcement

In 2011-12, over 330,000 Insurance Advisory letters were issued to registered keepers of vehicles who were identified as potentially not insured. On receipt, almost two-thirds (64 per cent) of registered keepers reacted immediately to make sure that their vehicles complied with the requirements of CIE. For those that did not, DVLA created over 120,000 enforcement cases, which collected over £1.6 million in revenue. For more information [see page 18](#).

Cost of Enforcement

The costs of enforcement for 2011-12 were £59.9 million against the plan of £69.3 million. Changes in expenditure were due mainly to decrease in wheelclamping costs (investment costs and volume related). Additional staff costs relating to CIE were subsumed into current staffing levels and other general expenditure reductions. Compared to the deflation adjusted costs in 2004-05 the actual costs each year are analysed in the table below showing a 36 per cent real reduction over five years.



2.5 Sustainability Report

The Government has reduced its carbon emissions by 13.9 per cent, exceeding the 10 per cent target set by the Prime Minister in May 2010. DVLA achieved a 10.3 per cent reduction playing a big part in this by contributing to around 70 per cent of DfT's savings.

In 2011-12, our Business Plan set out a number of stretching objectives around sustainability.

During the year we:

- were placed in the top three of the UK Carbon Reduction Commitment performance league
- retained ISO14001 certification for the 11th year
- were awarded a Gold level certificate from South West Wales Integrated Transport Consortium for DVLA's Travel Plan
- exceeded six out of seven [Greening Government Commitments](#) ([see Appendix C](#)).

Socially driven

We set out in our Business Plan 2011-12 how we would continue our commitment to the well-being of staff and our commitment to work placements from the local area ([see pages 16 to 17](#)). During the year, the Agency has facilitated workshops on environmental management, including inviting local schools into DVLA to see how we work. We actively encourage key suppliers/providers to engage with the local community who play a fundamental role in assisting with links into the community.

In 2011-12, the Agency's waste management company held recycling campaigns to raise money for local charities.

Economically sound

Value for money is still a key driver to ensure our customers are getting the most out of public services. The Agency has worked closely with

other government departments to share accommodation. This has reduced duplication of processes and the time taken for customers to interact with government departments ([see pages 18 to 19](#)).

DVLA considers its sustainability agenda to be an integral part of ensuring value for money. Linking environmental practice with economic practice often provides the best benefit, for example our initiative to make duplex printing (printing on both sides of paper) as the default setting on all of our printers has saved £68,000 a year and 31,000 reams of paper.

Environmentally responsible

DVLA's Environmental Management System is well established, ensuring that we are in control of our legislative compliance and continual improvements.

In response to the [Greening Government Commitments](#), the Agency has developed plans in four key areas. The plans define how we will meet the reductions required by 2014-15 (from the 2009-10 baseline). Monitoring against these plans has already shown that we are doing well in most areas.

The four key areas are to:

- cut carbon from the estate and business related travel
- reduce the amount of waste generated
- reduce water consumption
- embed sustainable procurement

Carbon from the estate

In 2011-12 the Agency achieved a 5.3 per cent reduction in carbon from its estate. We are, however, behind on our target to reduce carbon by 10 per cent from the 2009-10 baseline. We have produced firm plans for achieving the longer-term target of a 25 per cent reduction in tCO₂e (tonnes of Carbon Dioxide equivalent) from our estate by 2014-15. These plans include:

- Optimising the way we utilise our self-generated electricity in our Swansea site. This revision of the way the excess heat is used from these generators will provide a reduction in the amount of tCO₂e and the total cost of energy we consume.
- We will reduce the total number of actual servers by using software which will allow one physical server to host many virtual servers.
- Replacing our mains transformers with modern more energy efficient units.
- If the result of transforming DVLA services consultation exercise ([see page 16](#)) is to proceed with the proposal, the rationalisation of the local office network will also provide a reduction in energy consumption.

Carbon from business related travel

In 2011-12, our Business Plan objectives were to:

- reduce emissions from road travel by five per cent
- reduce the number of hire cars we use and change our pool cars to low emission hybrid vehicles
- focus on improvements to the amount of air and rail travel undertaken.

We have achieved all targets resulting in a 43 per cent reduction (from the 2009-10 baseline), exceeding already the 2011-15 target of a 25 per cent reduction. Further work will be carried out over the next year to centralise travel management allowing greater control and scrutiny of travel.

Waste minimisation

In 2011-12, our Business Plan Objective was to:

- reduce five per cent a year annually to achieve a 25 per cent reduction of waste.

We have reduced our waste again this year and are now producing 13.7 per cent less waste than in 2009-10.

In 2011-12 our Business Plan objective was to:

- reduce paper consumption by 10 per cent relative to 2009-10 levels.

We achieved 47.4 per cent against the 10 per cent target.

Recycling

In 2011-12, we introduced a food composting scheme for our main site resulting in 6.72 tonnes of food waste. We are continuing to achieve an 80 per cent rate of recycling.

Water

The Government commitment was to reduce water consumption to meet the best practice guidelines. Our average for the whole estate is now at 4m³ per Full Time Equivalent (FTE). This is in line with the best practice guidelines. By the end of 2014-15, we aim to improve on this and achieve a consumption level of 3.32m³ per FTE.

Sustainable procurement

From a commercial perspective, DVLA has made considerable progress in delivering against and maintaining a programme of work that supports sustainability. This has seen the introduction of engagement with the market. All specifications are reviewed for their compliance with the sustainability agenda, prior to issue of tenders. This element of the procurement cycle is supplemented by the endorsement of the specification by our sustainability manager. The DVLA standard terms and conditions are issued as part of the tender documentation. The standards contain specific provision for suppliers to abide by the Government Sustainability Agenda. In addition, the evaluation process is explicit that the assessment of bids must include whole life costing, for example from implementation to disposal of a product.