



Attendees: Alastair Peoples (Chair), Paul Coombs, Andy White, Paul Satoor, Peter Hearn (Dialling in), Heather Cruickshank, Paul Smith (NED), Jane May (NED)
Guests: Jo Warden, Ann Owen, Ingrid Morris
Apologies: Alex Fiddes
Secretary: Tom Middleton

0. Introductions

0.1 No declarations of conflict of interest were declared for this meeting and no items of any other business was tabled.

1. Key Business Risk Report

The KBRR was presented to the Board who discussed the following risks;

1.1 KBR64 Delay to Implementation of VOSA business changes to deliver the ATF Strategy: The Board agreed the risk should be reported to DfT as stated. The risk will be updated for next month to reflect where we are with the Treasury approvals and also to provide quantification of some of the risk effects, which could soon cause issues to ATFs, due to being unable to service demand. There is a possibility of de-coupling the negotiations from the Modernising Employment Contracts (MEC), but it was thought this may not speed the approvals required. Once approval has been received from the Cabinet Office, negotiations are still required with staff before implementation. Delays could cause budget overspend due to the overtime and extra resources that would be required in the interim.

ACTION	Paul Satoor	2 April
DB13/03/01	To update KBR64 to reflect where we are with the Treasury approval and also to provide quantification of some of the risk effects	

1.2 KBR63 IT Strategy Implementation: should be reported again to DFT. Cabinet Office have now approved the Outline Business Case and the option to extend the current contract in the short-term, as it is thought the new deal will not be in place quickly enough. Tenders for new SIAM are going out shortly.

1.3 CRR14 Health & Safety Management systems: agreed to reduce the residual score. A new H&S Strategy and/or an interim H&S specialist may be recruited to write a new Strategy. The Board felt a risk workshop will be needed before this to review the Boards appetite for the risk.

1.4 CRR10 Inadequate BCP and DR - Board recommended reduce residual impact score even further to medium (3) as phase 1 of the IT Disaster Recovery is now in place and we are further along with implementing phase 2.

1.5 The Board agreed there should be a risk considered on the provision of Management Information due to issues over the quality of the current reporting suite.

ACTION	Heather Cruickshank	2 April
DB13/03/01	To draft a risk on provision of Management Information due to issues over the quality of the current reporting suite	

1.6 Paul Coombs updated the Board on progress with the bubbling VAT recovery risk and advised it would be escalated to the KBRR next month.



2. Final End of Year Management Assurance (EoYMAS) Return

- 2.1 The Board considered the EoYMAS report as presented and confirm it is content that the responses and evidence provided are sufficient assurance for the Accounting Officer for the 2012-13 financial year with the caveat that:
- 1) Additional evidence is supplied on reviews of records,
 - 2) Clarification is sought on what is meant by 'significant audit opinions' in the covering HOU, and
 - 3) Paul Coombs confirms whether or not an additional voluntary statement should be included on the Public Services (Social Value) Act 2012.
- 2.2 The EoYMAS will now go the A&RC on 18 April before submission to DfT on 19 April.

3. VOSA Improvement Programme – 2013/14

- 3.1 A paper was presented to the Board providing a delivery plan for the Business Excellence team. A two tier plan was presented due to changes within the small team, with a number of posts currently vacant. Although recruitment is underway, replacements are not likely to be in post and trained before August 2013.
- 3.2 Plans for the current staffing complement were shared, along with a request for additional resources and the additional activities that would be delivered.
- 3.3 The Board felt that the paper did not show what benefits would be achieved from the additional work by adding the extra resources. It was felt that the VIP work helps gain efficiency savings from embedding LEAN in processes and helps improve staff engagement, although quantifying the benefits and savings would be difficult, but it was felt decisions needed to be linked to the budget process so savings are realised
- 3.4 The Board felt that the request for additional resources could not be approved, as it was felt the existing levels were adequate, once the current vacancies are filled.
- 3.5 The Board confirmed it's commitment to the VOSA Improvement Programme and endorsed the 2013/14 delivery plan in section one. However, the Board did not approve the request for additional resourcing.**

4. Business Change Team Future and Resourcing

- 4.1 In addition to the VIP paper, a paper was provided to the board on the future of the Business Change team. This paper and the VIP programme gave a combined view from the Change and Business Excellence teams on directing support towards key business priorities. The proposals were put forward to help manage the challenging portfolio of change projects as there is currently no spare resource in the Change team to govern them.
- 4.2 The Board recognised that extra resource is needed in the Change team to help manage the project and programmes portfolio and the pillar work, which was why additional funding had previously been approved this year for the teams. However, it was felt that the funding already received was sufficient and both teams needed to find ways of working smarter.
- 4.3 Any specific proposals for resources to carry out additional work needed to receive ICB approval before being submitted to this Board.
- 4.4 The Board agreed that there is to be no overall increase in headcount and that any new posts will mean existing vacancies will need to be given up.
- 4.5 The Board felt that the ICB also needs to take into account the change capability of the Agency, along with the strategic directions when approving change proposals and Business Cases.
- 4.6 The Board felt the proposals in the paper should be submitted to the ICB and did not approve the request for additional resourcing at this time.**



5. Enhancing CIO Internal Software Delivery Capability

- 5.1 A paper was presented looking to address key aspects of CIO delivery by in-sourcing IT applications development and maintenance elements of the delivery model.
- 5.2 An IT Strategy was developed to modernise its applications to drive down the cost of running and enhancing IT systems and be able to support VOSA's change agenda. However, progress has not progressed as planned, due to multiple factors including; constraints to IT expenditure, complex approvals process and planned procurement frameworks being for IT tower and development services being withdrawn.
- 5.3 The Board were informed that time is now running out before the end of our existing IT contracts and this alternative model would help provide an in-house centre of excellence that could be used by DfT and the Agencies.
- 5.4 The Board felt that although there could be an economic case for the proposal, it was felt the proposal was unlikely to be agreed by the Department, as it was not in-line with the Osborne principle and the current position of reducing the size of the civil service.
- 5.5 The Board recognised the constraints in trying to recruit IT professionals under the MEC proposals and agreed to the proposal to work with HR to find ways of attracting the right staff.
- 5.6 The Board could not agree the financial case of spending the contingency budget on the additional costs required for the proposal.
- 5.7 The Board felt that the strategic case of the proposal should be taken to the Department's CIO forum.

Decision: The Board agreed the proposal could be taken to the DfT CIO forum and if agreed, work with HR to complete an IT market analysis. However, the Board did not agree to the alternative business model or the recommendations in the paper until this had taken place.

6 Final Directorate Budgets 2013/14

- 6.1 Following discussions at the previous meeting, the Board discussed the final budget for 2013/14 with the changes from the last version set out, which includes a "churn" factor and negative staff budget for vacancies agreed at the February Directing Board in order to deliver a £4m surplus budget.
- 6.2 SEB funding has been confirmed, project contingencies have been budgeted at 50%, the capital plan has been set, although there are still doubts it will all be spent.
- 6.3 The Board discussed the cash levels of the Agency, which are being used to repay existing loans and were informed that a dividend will be paid this year.
- 6.4 The Board were informed that decreasing asset values were becoming an issue, as the use of sites were changing, but impairments are being budgeted for.
- 6.5 The Board asked for the balance and cash sheets to be shared.
- 6.6 The Board felt a significant communications message was needed that also gave the wider picture of how the Agency was managing the financial recovery and the economic health of the Agency.

ACTION	Paul Coombs	2 April
DB13/03/02	To share the balance and cash sheets with the DB	

The Board agreed the final budget and capital plan for 2013/14 at a £4m surplus budget, and £15.1m capital plan.



7 Powers to Stop Vehicles (PtS): Full Business Case

- 7.1 Following approval at the January Investment and Change Board a Business Case to replace 36 MPV's and their conversion into Powers to Stop vehicles was presented to the Board. This would be around half of the existing fleet.
- 7.2 The Board were informed that dispensation has been given not to use the Government procurement service, due to the need to purchase and convert the Galaxy vehicles. The Board felt the existing framework provided better value for money than the e-auction, due to the cost of the conversions. The Board were informed that the contract for the vehicle modifications is due to expire shortly.
- 7.3 It had been confirmed that the Enforcement pillar strategy is to continue carrying out roadside enforcement but anticipated needing less vehicles in future. It was felt that this can be taken into account when the second half of the fleet is needed to be replaced. The Board felt that the type of vehicle required should be reviewed at this time.
- 7.4 The Board were informed that future Business case proposals need to be received with enough time for the Board to make a decision and that the policy and strategy of the cases needed to be made clear by the owners.

Decision: The Board agreed the purchase of the 36 Powers to Stop vehicles and conversion work.

8 Operations Investigative Capability

- 8.1 A paper was presented on the future of the Investigations team following discussions at previous Boards.
- 8.2 The Board were informed that some of the work currently being carried out by the team was not deemed core business activity, so work such as Proceeds Of Crime Act 2002 (POCA) investigations will cease and intelligence information will be passed to the police to act upon.
- 8.3 The investigations team will be integrated back into mainstream enforcement with investigations continuing to be carried out in-line with Enforcement Sanctions Policy and members will rotate to ensure that knowledge is shared.
- 8.4 It was agreed that 6 posts from the team could be added to the Operations enforcement teams.
- 8.5 The Board felt that before the transition takes place, the views of stakeholders in the Department and the Senior Traffic Commissioner needed to be taken into account.
- 8.6 The Board asked that feedback on the prosecution rate and PI rate and any efficiency savings are provided 6 months after coming into effect, to determine the outcome of the changes.

Decision: The Board endorsed the recommendation to proceed with the transition of the investigations function into core enforcement activity.

ACTION DB13/03/03 function	Heather Cruickshank To provide feedback from stakeholders on the transition plans of the Investigations	May DB
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ACTION DB13/03/04 after the Investigations team changes	Heather Cruickshank To measure the prosecution rate and PI rate and any efficiency savings 6 months	Nov DB?
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9 Shared Services – Financial Impact Paper

- 9.1 A paper was provided to the Board updating them on the current understanding of the financial impacts of the move to the first Government Independent Shared Services centre in 2014.
- 9.2 The supplier will be Arvato and the plan is to migrate the HR and Payroll services in January and the Finance and Procurement services in April 2014.
- 9.3 VOSA has received a contribution towards migration costs from DfT. Any underspend will need to be returned to DfT. This payment covers all direct and indirect costs that might cause a draw on the VOSA Trading Fund as a result of activities required to prepare for the migration and provide limited post migration support.
- 9.4 A letter of instruction has been received from the Permanent Secretary that the Agency will migrate.
- 9.5 The Board discussed the increased anticipated running costs, which would mean a 1% increase to the test fee to cover the costs.
- 9.6 The Board were informed that the migration could provide efficiency savings and an opportunity to improve Management Information systems.

10 Board Update Reports

- 10.1 The Board noted the ICB update as presented; of particular interest to the Board were the EU changes to the MOT test certificate. The Board also felt that the Business case lessons learned presentation should be shared at a CSL session.
- 10.2 The Board noted the BPB report as presented, of particular interest was the sickness target which is above target and not likely to be achieved; reports have been received from managers from the areas with the highest short term sickness rates and more work has been requested to explain the action taken from the trigger points.
- 10.3 The Board also noted the FTE vacancy level remained under target.
- 10.4 The Board discussed the operational tachograph measure, which has now been missed. A Business Case for equipment to help achieve the next two yearly target is going to the next ICB.
- 10.5 The Board noted the prohibition rate target is being achieved, but that volumes of checks and prohibitions were substantially behind plan. Alastair Peoples asked that the Enforcement target profiles are discussed with him.
- 10.6 The Board noted that the HGV Levy PID was approved.
- 10.7 The Board asked for further clarification in the BPB update for any projects and programmes rated as Amber/Red.
- 10.8 The Board noted the update from the Audit & Risk Committee and the Directors decisions

11 AOB

- 11.1 There were no AOB items at the meeting.

12 Meeting Administration

- 12.1 The Board approved the Minutes of the 6 February Directing Board as an accurate record for publication.
- 12.2 The Directing Board Action Sheet was updated and is attached.
- 12.3 Board Agendas Forward Look – The next meeting is being held on 10 April 2013.