Directing Board Minutes

10 July 2013
2nd Floor Conference Room,
Berkeley House, Bristol

Attendees: Paul Coombs (Chair), Aidan Naughton (for Andy White), Becky Thomas (for Paul Satoor), Alex Fiddes, Peter Hearn, Paul Smith (NED), Jane May (NED), Paul Satoor (for item 4)
Guests: Ellen Turner (DSA), Jo Warden (Item 1), Karen Farr (Item 2)
Apologies: Alastair Peoples, Heather Cruickshank, Andy White
Secretary: Tom Middleton

0. Introductions
0.1   No declarations of conflict of interest were declared for this meeting. Two items of any other business were tabled: Transport Select Committee update and a possible BBC documentry.

1.   Key Business Risk Report
   The following risks were discussed;
1.1   "KBR63: Continuity of internal IT services" and new risk "KBR67: Delivery of Modernised IT applications" - Following the spotlight session at the last Board the Risk Steward reviewed "KBR63: IT Strategy" and split the risks into a) "KBR63: Continuity of internal IT services" and b) "KBR67: Delivery of Modernised IT applications". The Board agreed that both risks will be reported to DfT to inform its high level risk 'Failure to deliver Agency ICT procurement'. The Board were also informed that approval to extend the current IT contract will be sent round for approval out of committee as there is no August meeting.
   The Board were informed that the consequences of the merger are being factored into the IT Modernisation business cases to look at synergies with DSA. The Board also asked that any financial modelling complies with the outcomes from the McPherson review on business critical models.
1.2   The Board discussed the governance between themselves and the new Transitional Board, which is being set up to merge VOSA and DSA and felt there could be a risk to business as usual activities while the transition took place. It was agreed a separate risk was needed to "KBR17: Capacity to meet change", which should remain as stated.

ACTION	Paul Coombs	07 August
DB13/07/01	To create a new risk on the impact to VOSA being able to deliver BAU activities as a result of the merger.	

1.3   "KBR46: Shared Services" – The Board were informed that the risk had been redrafted to align with how the Department had worded their risk. The Board were informed that the detailed risks are being managed through the project and contingency plans are in place. However, the risk was scored inherently high due to the high reputational damage to the Agency and Department if the migration was not successful. This needed to be added to the wording of the risk on the register. The risk will be escalated to DfT to inform its own risk assessment.

ACTION	Paul Coombs	07 August
DB13/07/02	To ensure the Risk Manager adds the high reputational damage to the Agency and Department if the migration was not successful, to the wording on the effect of the risk KBR46: Shared Services.	

1.4   "KBR64: Delay to implementation of VOSA business changes to deliver the ATF Strategy" – The Board did not agree with the proposal to close the risk and create two new project risks which would be managed by the project. However, the Board agreed the inherent risk had decreased but a corporate risk still remained and needed to be on the KBRR in addition to the two risks proposed to be managed at project level.

Vehicle & Operator
Services Agency

1.5 "KBR62: COIF errors" – The Board agreed to retire the risk to Directorate level due to the likelihood decreasing.
1.6 The Board were informed that a bubbling risk had emerged due to a stricter Cabinet Office position on IT that could cause a risk to the accreditation of the Agency's IT systems, until it can comply with the recommendations. A healthcheck report has been carried out to assess the changes required.
1.7 The Board noted the high scores being raised by the CIO Directorate risk register and were informed that the risks are being managed and training was being given to ensure the scoring was at the right level. The Board were assured that the process of managing risks was being followed and that risks could be raised appropriately through a number of different channels.
1.8 The Board acknowledged the new "DfT Risk Policy and Guidance" that has been cascaded to the Agency 's, in particular the revised escalation requirements from VOSA to DfT based on current inherent exposure of 15. The Board felt that by not applying the criteria at all reporting levels could cause confusion, so asked for confirmation of the current reporting criteria to determine whether the a phased roll out of the changes should be rolled out.

ACTION	Peter Hearn	07 August
DB13/07/03	To send round the current scoring criteria for escalating risks	

1.9 The Board felt that using the new scoring criteria issued with the new policy could raise the scores of some Operational risks.
1.10 The Board asked that the risk report also includes an additional paragraph of narrative from the project managers on the top four priority projects.

ACTION	Peter Hearn	07 August
DB13/07/04	To ensure the Risk Manager adds an additional paragraph of narrative from the project managers on the top four priories to the risk report.	

2.   HGV Levy Risk Spotlight

2.1 The Board discussed the risks to the delivery of the HGV Road User Levy Project which is planned to be implemented from 1 April 2014. From this date a charge for HGVs that are 12ft or over will be applied to use UK roads and applies to both UK and non UK vehicles.
2.2 VOSA's role will be to check for compliance with the levy requirement and, where necessary, take enforcement action. There will be little difference from the current situation in the enforcement of GB vehicles as the levy will become part of the VED requirement.
2.3 The Board were informed that one of the two key risks to the project is securing an ANPR network to enable targeted enforcement in time for the implementation date. The procurement process has started but Cabinet Office approvals may also be required. Once the equipment has been procured then IT accreditation will also be required.
2.4 The Board agreed that the ANPR project therefore needs to be a priority and extra resources are being brought in, as well as approvals being fast-tracked.
2.5 The Board were informed that the other key risk is getting an accurate targeting list and in-time for implementation. This work is being managed by the Department at programme board level but the timescales of the work required are thought to be tight.
2.6 Due to the possible reputational risk to the Agency, the Board asked that VOSA's concerns are recorded at the Programme Board and ensure they are raised to the DfT risk register where applicable.
2.7 Due to the interdependencies, the Board asked that the SRO's of the Levy and the ANPR projects work closely together to ensure both can be delivered on time.

2.8   An MOA for the Levy work is being drafted with the Department and the Board asked that it includes an exit strategy for exit costs. Funding has been allocated until 2014/15 but there is no certainty beyond then.

2.9   The Board were assured that the parts of the project we are in control of are on track, but other risks remain. The Board were told that there may be an opportunity to train staff at the same time as the Shared Service training which would help to minimise disruption to front-line services.

3.   Operational Estate Steering Group TOR

3.1   Approval for an Operational Estates Steering Group was re-submitted to the Board, following comments given at the previous meetings.

3.2   The Group will involve key members from the business and led by the SMER Director.

3.3   Its role will be to make recommendations to Boards as to the usage of sites, under the current agreed Governance Framework. However, the decision to cease testing will still be for the Directing Board to make, once a recommendation has been received following a request from Operations or Scheme.

3.4   The Group will still be subject to further governance changes that result from the merger plans.

3.5   The Board asked that the role of the Business Design Authority is looked at to ensure alignment.

3.6   **The Board approved the TOR for the Operational Estate Steering Group.**

4   Motoring Services Strategy Update

4.1   The Board were updated on the outcome from the Motoring Services Strategy Consultation, which decided to merge VOSA and DSA Agencies together from 1 July 2013.

4.2   A Transitional Board will be set up shortly to move both Agencies towards a single operating model.

5   Board Update Reports
ICB Update

5.1   The Board noted the Change Proposals Assessments (CPA) had been approved for Test Simplification, and legislation changes required for a revised fee structure.

5.2   In addition an Outline Business Case for accommodation at a site at Cuerden had been approved to go to Full Business Case.

5.3   The ICB asked the Board whether the Estates team had sufficient resources due to reported delays including a number of sites needing feasibility studies. The Director responsible informed the Board that external resources are and would continue to be used to carry out the work. The Board also felt that the new Operational Estate Steering Group, which had just been agreed, would help ensure that business decisions on the Estate could be reached more promptly.

5.4   The Board were also reminded that business cases for spend on accommodation should come from the business, supported by the Estates Team.

5.5   The ICB had also approved the baseline for the 18 month view and although at the time of the meeting only 0.1% of the capital budget had been spent, further approvals had been given since.

BPB Update

5.6   The Board noted the BPB update as presented; of particular interest was the financial performance measure which predicted a slight shortfall compared to the budget. The Board

were told that it was an incomplete forecast, but the Board commented that a view of how the financials would be recovered should have been provided by the BPB.

5.7 Other key items from the BPB were concerns that a number of targets were reporting either amber or red, along with concerns that vacancies were not being recruited quickly enough. The Board felt it was important that the message to staff and managers was that vacant posts should be filled as soon as possible.

5.8 The Board were concerned that Privately Owned Testing Facilitates (POTFˈs) have emerged (quasi Designated Premises) which are providing a provision due to an increase in demand for IVA tests. As they have no formal contracts there is a risk of inefficient deployment of VOSA staff. A meeting between Directors will be held shortly to agree a way forward.

5.9 The Board also had concerns that no Impact Assessment had been carried out when a revised policy decision was made last year which has had a 4% effect on the overall prohibition level and accounts for 25% of all driversˈ hoursˈ prohibitions. Although it was the right thing to do the Board asked that the impacts are identified before any decisions are made. The Board were informed that since then detailed scrutiny of scheme activity now takes place at the BPB, ensuring Change Proposals are completed should policy changes happen. The Scheme Managers are also aware of the need to follow this process.

5.10 The Board were informed that there is a discrepancy between testing volumes and income and work is going on to rectify the data.

Directors Catch up Update
5.11 The Board noted the Directors Catch up report.

6.1 AOB
6.1 The Board were informed that the outcomes from the Transport Select Committee will be available next week and we will have time to give our responses during recess.

6.2 The Board was informed that the BBC are planning to film a documentary on the M6 which could involve filming our enforcement work. The Board asked that the communications team are involved and liaise with the production team.

7 Meeting Administration
7.1 The Board approved the Minutes of the 12 June Directing Board as an accurate record for publication.

7.2 The Directing Board Action Sheet was updated and is attached.

7.3 Board Agendas Forward Look – The next meeting is being held on 11 September 2013.