Driver & Vehicle Standards Agency

Annual Report and Accounts

2022-23

Keeping **Britain** moving, **safely** and **sustainably**

HC 1585

Driver and Vehicle Standards Agency

Annual Report and Accounts 2022-2023

For the period 1 April 2022 to 31 March 2023

Presented to the House of Commons pursuant to section 7
of the Government Resources and Accounts Act 2000

Ordered by the House of Commons to be printed

20 July 2023

HC 1585

This publication is available at www.gov.uk/official-documents.

Any enquiries regarding this publication should be sent to us through our website on GOV.UK.

ISBN 978-1-5286-4070-1

E02901135 07/23

Printed on paper containing 40% recycled fiber content minimum.

Printed in the UK by HH Associates Ltd. on behalf of the Controller of His Majesty's Stationery Office

Contents

Foreword

Chair’s Introduction

Road safety is at the forefront of everything that we do. However, safety is not just about the number of collisions on our roads. We also must consider other factors such as unsafe vehicles, air quality and how operators are licenced. We are incredibly proud of the hard work of all of our colleagues, working to further improve road safety. By doing so we see fewer accidents on our roads, more efficient road networks, a reduction in pressure on our emergency services and an improvement in public health.

We recently launched our 3 year strategic plan and our Vision to 2030. These documents set out what we must do to make transport safer, greener and healthier. See pages 33 and 34 for a summary of our Vision.

To achieve this our Vision sets out some key challenges that need to be addressed:

- Making roads safer
- Improving services for customers
- Reducing environmental and public health impacts
- Harnessing the potential of technology and data
- Growing and levelling up the economy

We have made great progress this year in challenging circumstances and part of our success is due to our relationships with external stakeholders. We work with many other government colleagues and other industries that share our purpose and vision for the future, such as:

- Driver and rider training industries
- Police services
- MOT garages
- Traffic Commissioners
- National Highways
- Road haulage and passenger transport industries
- Vehicle manufacturers

We have made some positive developments in our use of technology and data. This allows us to collaborate more efficiently and gather really great evidence. In turn, this means more effective systems and reliable sources of data allowing us to enforce our standards and improve road safety.

We’re committed to creating an agency that works for our customers. Whether you are taking your test for the first time, or you are an experienced Heavy Goods Vehicle (HGV) driver, getting a positive and professional experience from our services matters. I believe that this commitment is reflected in the hard work that colleagues have undertaken in the last year.

Nick Bitel
DVSA Non-Executive Chair

Chief Executive's Introduction

I am pleased to present our Annual Report and Accounts for 2022-23. Looking back on this year, it is clear that our colleagues have worked incredibly hard to meet the challenges that we set ourselves in the Business Plan. We are also making progress with the first year of our Strategic Plan for 2022 to 2025 and our Vision to 2030. I am excited to see colleagues working together to achieve our longer-term goals.

We have had some great success over the last year and have fully achieved the majority of our business plan measures. We have seen improvements in many different areas such as:

- Waiting times for theory test candidates are, on average, less than 25 days, a great achievement for the first full business year for the new service
- Our customer service satisfaction scores were broadly in line with or had good increases against last year's scores
- Enforcement colleagues found over 28,300 serious roadworthiness defects and traffic offences and continued to target the highest risk MOT garages for instances of the most serious fraud, dishonesty and negligence
- Reducing waiting times to pre-pandemic levels for vocational practical driving tests, meeting the need of industry and supporting the economy

One of the tasks that we set ourselves at the start of the period, was our ambition to reduce waiting times for our driving test customers. Whilst we were unable to meet our target of 9 weeks or less by December 2022 for car tests, our people worked extremely hard to meet demand. We have recruited 460 driving examiners since the beginning of the pandemic recovery, of which 250 were recruited this year. We have also made more than 580,000 additional driving tests available this year. Unfortunately, sustained high levels of demand for tests, a competitive labour market, coupled with industrial action, has meant that we have not made as much progress as we would have liked.

We set ourselves further measures covering other key areas. Working closely with colleagues in the Department for Transport (DfT) we have continued to support industry by:

- Continuing to provide tests for new drivers through government funded Heavy Goods Vehicles (HGVs) Skill Bootcamps
- Launching the 'Ready to Pass' campaign and introducing mock tests to increase the pass rate for driving tests and also a text messaging service for candidates, to reduce appointments being missed
- Continuing to improve our MOT services, including improving the reminder service and continuing our journey to increase the use of automated test equipment
- Developing new digital services for our commercial vehicle testing customers, like rolling-out a digital account service (myVT) for Authorised Testing Facilities (ATFs)
- Continuing to increase our Vehicle Standards Assessor complement and progressing the opening of new ATFs, in line with the Heavy Vehicle Testing Review

All of this comes together to enable DVSA to continue to keep Britain moving, safely and sustainably.

Finally, I'd like to thank colleagues for their commitment and passion which I firmly believe underpins the immense road safety work to which we all contribute.

Loveday Ryder
DVSA Chief Executive

Supporting Road Safety

Great Britain's roads are among the safest in the world, but every death, injury or minor collision on the roads can cause devastation, distress or inconvenience. We want to help reduce that number.

In the year ending June 2022, there was a:

3% decrease

in fatalities in reported road collisions compared to year ending June 2019

3% decrease

in reported killed or seriously injured (KSI) casualties compared to year ending June 2019

11% decrease

in reported casualties of all severities compared to year ending June 2019

These figures have been sourced from https://www.gov.uk/government/statistics/reported-road-casualties-great-britain-provisional-results-2022/reported-road-casualties-great-britain-provisional-results-2022 and are correct at the time of publishing.

Recent trends in reported road casualties have begun to normalise after the national restrictions implemented from March 2020 onwards following the coronavirus (COVID-19) pandemic, including periods of lockdown during 2021. Although there were no lockdowns in 2022, comparisons to periods which included the restrictions are affected. **For this reason, this publication compares estimates for 2022 with those for 2019, which is the most recent equivalent pre-pandemic year.**

Performance Report

Overview

Who we are and what we do

This Annual Report and Accounts sets out the performance and achievements of the Driver and Vehicle Standards Agency (DVSA) for the year 2022-2023. This report covers the agency's accounting period for the year ended 31 March 2023.

The Performance Report section of this document provides information about our purpose, the work we have undertaken in the last year and the main risks to achieving our objectives. The Accountability Report (page 35) meets the key accountability requirements to Parliament. This is followed by the Accounts (page 66).

The DVSA is an executive agency, sponsored by the Department for Transport (DfT). We keep Britain moving, safely and sustainably.

Our organisation is structured so we put road safety at the heart of everything we do, while giving our customers the best possible experience and making sure our services offer value for money. We employ around 4,600 people across Great Britain.

We carry out theory and practical driving and riding tests, approve people to be driving instructors and MOT testers, carry out tests to make sure lorries and buses are safe to drive, carry out enforcement checks on drivers and vehicles, and monitor vehicle recalls. We also work with the Traffic Commissioners to licence and regulate the heavy vehicle industry.

During the year we launched our Vision to 2030 and our 3 year strategy covering the first three years of that period. 2022-23 is the first year. Key themes from the vision include:

- Continuing to focus on minimising the number of people injured or killed on Britain's roads
- Continuing to improve service levels following the difficulties caused by the COVID-19 pandemic
- Improving road transport to make it greener and healthier
- Preparing for self-driving features in new cars
- Supporting the economy and recovery following the disruption of the pandemic

You can find our 3 year strategy here: DVSA strategic plan to 2025 - GOV.UK (www.gov.uk) and our Vision to 2030 here: DVSA vision to 2030 - GOV.UK (www.gov.uk).

During the year, a priority has been addressing backlogs on our services. We have reduced waiting times on theory tests and vocational practical tests to within our targets. Our performance highlights can be found on the following page. The waiting times for car practical driving tests remain high and continue to be a priority as we look forward. We have managed within the financial budgets agreed with DfT.

A key risk is being able to recruit and retain the people we need to continue to address backlogs and build on our success for the future. For more information, please see the Performance Analysis and Governance Statement within this document.

Performance Highlights

Helping you through a lifetime of safe driving

2,780,000
theory tests conducted

1,970,000
practical tests carried out

Keeping your vehicle safe to drive

41,480,000
MOT tests overseen

690,000
HGV tests carried out

Protecting you from unsafe drivers

146,000
vehicle and driver checks

76,000
licensed vehicle operators

Performance Analysis

Key performance measures

Our performance targets have been designed to measure how we perform against our core road safety objectives. These were published in our 2022-23 Business Plan at the beginning of the year. See DVSA business plan, 2022 to 2023 - GOV.UK (www.gov.uk).

The targets help us ensure that we continue to progress with our COVID-19 recovery plan that we set out following the pandemic. In addition, our measures allow us to monitor the wider impact of our services. We use this information to inform decisions on how best to deliver and improve them.

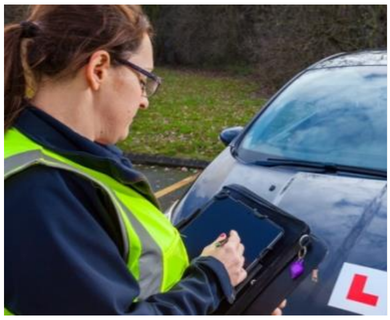
The performance report is split into key areas reflecting our strategic themes:

- Helping you through a lifetime of safe and sustainable driving
- Helping you keep your vehicle safe to drive
- Protecting you from unsafe drivers and vehicles
- Our people, customers and partners
- Supporting our work – including financial performance, estates and digital
- Delivering sustainability

The performance report is structured around these strategic themes. Each section explains what we have achieved during the year and how we've performed against the key measures in that area.

We report on these measures quarterly to ensure that where we are not on track, where possible, we can take early action to address any issues. In some cases, where we are unable to take corrective action, we ensure that we have clear information on what work has been done and why measures have not been met.

Helping you through a lifetime of safe and sustainable driving

Areas of our work	What we do to achieve our themes
Set standards, assess and test	• Set standards for safe driving • Carry out theory and driving tests
License and accredit, regulate and enforce	• Approve driving and motorcycle instructors • Approve courses for qualified drivers, including driver certificate of professional competence (CPC) and drink-drive rehabilitation courses
Inform, educate and advise	• Provide targeted digital and media channels • Maintain and develop the official Highway Code and other apps, books and e-learning

Key Performance Measure	Target	Outcome
To recover our services, so waiting times for car practical driving tests are 9 weeks or less	By December 2022	15.1 weeks in Dec Not achieved
Car practical test candidates satisfied with the service they receive from DVSA	>=70%	68% Not achieved[1]
Theory test candidates satisfied with the service they receive from DVSA	>=70%	96% Achieved
Candidates will wait, on average, no more than 28 days from booking to their theory test appointment date	28 days	24.6 days Achieved[2]
Vocational practical test waiting times at 3 weeks or less	By December 2022	2.7 weeks in Dec Achieved

[1] The satisfaction score for the year of 68% is below target but has increased by 4% from the previous year. This improvement has been the result of focused improvement activity, however high waiting times have continued to impact the overall score.
[2] This is an alternative Theory test service delivery measure which was approved post publication of the DVSA business plan as it provides better representation of service levels experienced by customers.

Key Achievements

Waiting Times

The target for waiting times for car practical tests to be 9 weeks or less by December 2022 has not been achieved. Waiting times remain high at 16 weeks as at the end of March 2023. This is due mainly to the legacy backlogs caused by suspending services in 2020-21 in response to COVID-19. Waiting times have also been impacted by industrial action during the year. Our recovery has been significantly delayed.

To address this, we have recruited and trained over 460 new driving examiners since the beginning of recovery following COVID-19, with more than 250 recruited and trained in 2022-23. This has resulted in a net increase of 186 driving examiners. The table below shows how we have increased capacity to deliver as many tests as we can. We delivered more than 580,000 additional tests in the last year.

Measure	Estimated extra tests from April 2022 to March 2023
New recruits testing	335,000
Overtime and weekend testing	125,000
Local Driving Test Managers and other qualified colleagues reassigned to testing	90,000
Increased utilisation	25,000
Annual leave buy-back	10,000
Retired Driving Examiners returning to temporary employment and testing	4,500
Approximate total*	**589,500**

* Note - there may be an element of double counting within these measures as it is not possible to separate each of them fully.

During the year there were 78,000 avoidable driving test cancellations. These were caused by candidates failing to attend, not bringing the right documents or presenting an ineligible vehicle. To reduce the number of avoidable cancellations we have implemented a text message reminder service. We have also launched our high profile ‘Ready to Pass?’ campaign to improve learners’ preparedness for tests thus improving pass rates and reducing the volume of retests. We are also encouraging learner drivers to delay their test if they are not ready.

As a result, we have seen a reduction in the number of avoidable test cancellations, enabling available tests to be used more productively.

Approved Driving Instructors (ADIs) standards & pass rates

Following an increase in demand from people who want to become ADIs, we relaunched the Official Register of Driving Instructor Trainers (ORDIT) scheme. This scheme is a voluntary official register demonstrating that ADIs meet our standards to provide high-quality training for Potential Driving Instructors (PDIs). We also updated the assessment process to raise professional standards and ensure learner drivers, and instructors, have access to the highest quality tuition possible.

During the year we started to offer ADIs the opportunity to have an Engagement Call with an ADI examiner. The informal call provides an opportunity for ADIs to discuss their performance record, their next standards check and any other matters that may be of concern to them. We did over 3,600 calls during the year receiving some great feedback.

Driver services delivery model

We have begun exploring alternative ways to deliver driving tests, bringing tests closer to the customer at more flexible locations.

We have conducted initial proof of concept trials at four locations across Great Britain to understand the challenge and opportunities. We are currently evaluating findings and will build on this research further during 2023-24.

Vocational testing

Vocational testing waiting times have now successfully returned to an average of 3 weeks.

We have trained more vocational examiners to conduct tests for Heavy Goods Vehicles (HGV) and Public Service Vehicles (PSV).

The most recently published official statistics show that from October to December 2022, there were 28,100 HGV practical on-road tests, which was 4% higher than the previous year.

We continued to support the various interventions introduced by government to increase the number of HGV drivers on Britain's roads, including working with the Department for Transport (DfT) and the Department for Education on the HGV Bootcamps designed to accelerate the training of new drivers.

Improving HGV and PSV driver testing

In 2021 the vocational driving test was changed so that the off-road manoeuvres element could be conducted by external assessors. This has been successful with over 100,000 off-road tests conducted by these assessors. HGV training schools now provide around 90% of these tests.

We have a team within DVSA which ensures the off-road elements of the test are delivered to the necessary standard.

Delegated examiner training courses

Practical driving tests are usually provided by the DVSA. However, some organisations can obtain permission from the DVSA to provide driving tests for their employees. These organisations include the police service, the fire and rescue service and bus or haulage operator licence holders.

Delegated authority is a useful way to maintain standards and enables these organisations to manage their new driver training and testing programmes.

The delegated examiner training service was restarted, having been paused during the pandemic and recovery period. During the year, 46 delegated examiners began or completed their training. All operators who requested the courses for their trainee examiners have now either been on a course or have been offered a date to attend one.

Making motorcycling safer

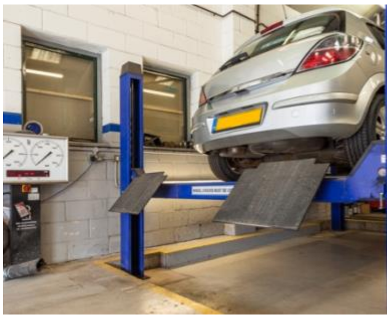
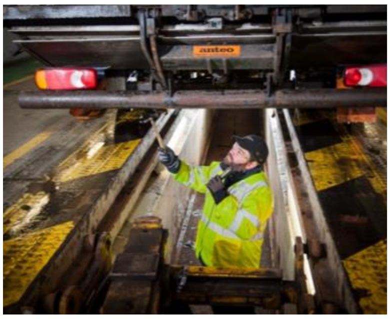
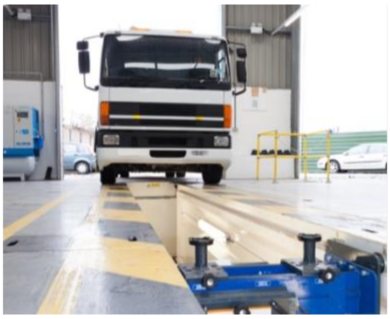
During the year we launched The Motorcycle Strategic Focus Group, chaired by DVSA. This group considers the road safety and wider issues affecting motorcyclists, and other powered two wheelers and personal light vehicles.

This group focuses on developments affecting road safety and the training and testing for riders in the motorcycle sector. It will also consider technology to improve safety as well as future connectivity advances and how we embed motorcycling more effectively in our policies and road safety strategies. Further work will include considering motorcycling in the context of mobility, social inclusion, technical regulation and decarbonisation.

Training accreditation

We successfully integrated the Joint Approvals Unit for Periodic Training (JAUPT) team into the agency in October 2022. This has secured the knowledge and experience of that team, which will help us to deliver training accreditation services. JAUPT had previously been a supplier to DVSA.

Helping you keep your vehicle safe to drive

Areas of our work	What we do to achieve our themes
Set standards, assess and test	• Set standards for MOT testers and carry out MOTs for heavy goods vehicles, buses and trailers • Carry out vehicle approval tests for vehicles manufactured or imported in small numbers
License and accredit, regulate and enforce	• Approve MOT centres and MOT testers
Inform, educate and advise	• Carry out and evaluate insight-based behaviour change campaigns and e-learning • Publish information to help you look after your vehicle

Key Performance Measure	Target	Outcome
Authorised testing facilities satisfied with the service they receive from DVSA	>=85%	93% Achieved
Operators satisfied with the service they receive from DVSA	>=80%	79% Not achieved[3]
MOT centres satisfied with the service they receive from DVSA	>=85%	91% Achieved

[3] Despite some satisfaction scores collated earlier in the year at 80% or above, a lower score in the final quarter has decreased the average for the year to 79%. We continue to review the finer detail of customer survey responses better to understand the reasons driving customer contact and customer service expectations.

Key Achievements

Light vehicle MOT

41 million light vehicle MOTs were overseen during the year through the network of approved MOT garages across Great Britain. We continued to enhance the service to improve the end product for motorists, including support to garages in delivering tests.

We have improved the MOT reminder service by adding enhancements to better handle changes to vehicles. The service helps owners avoid inadvertently letting their MOT lapse.

We are continuing to modernise test equipment for the MOT and have introduced new types of 'connected equipment'. This has helped to reduce errors and provides richer data on vehicle performance at test.

We have piloted the use of cameras in MOT tests providing us with a strong foundation for further work in 2023–2024. The use of cameras has already proved beneficial by:

- Helping garages to be more efficient
- Reducing scope for errors
- Reducing the risk of fraud

We have supported the DfT consultation and call for evidence on the MOT. This will provide valuable information to inform further modernisation of the service – for example on how we test emissions on modern vehicles.

Heavy vehicle testing review

Much of the focus on improving our heavy vehicle testing services has been guided by the Heavy Vehicle Testing Review, which DfT, working with DVSA and industry representatives, conducted in 2020.

In response to the review, we have continued to develop the network of Authorised Testing Facilities (ATFs) to provide more availability and flexibility to the industry. This included recruiting an additional 131 testers, and a further 22 ATFs have opened during the year across Great Britain.

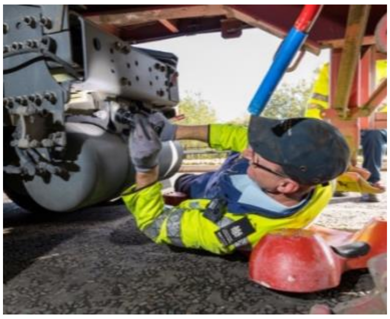
Digital services for ATFs

We have continued to deliver our Commercial Vehicles Services' project. Following a successful pilot, we have rolled out a new digital account service, MyVT, to ATFs. This service allows customers to manage their account online. It also provides a foundation for further services next year, such as more efficient scheduling of testing.

Individual Vehicle Approval

The Individual Vehicle Approval service supports a diverse range of customers including bespoke car manufacturers, site vehicle manufacturers and importers. We have undertaken significant user insight work to better understand their needs. This insight has allowed us better to define much of a new operating model to meet those needs. This will provide a strong basis for a more flexible model moving forward which, in turn, will enable some efficiency savings in government estate.

Protecting you from unsafe drivers and vehicles


Areas of our work	What we do to achieve our themes
Set standards, assess and test	• Carry out specialist tests for HGVs, buses and trailers • Monitor recalls of vehicles, parts and accessories
License and accredit, regulate and enforce	• Carry out roadside checks on commercial vehicle drivers • Visit vehicle operator premises • Supporting the Traffic Commissioner with licensing duties for vehicle operators for Great Britain
Inform, educate and advise	• Share information with around 100 educators, researchers and publishers • Publish GOV.UK pages to share intelligence

Key Performance Measure	Target	Outcome
Risk based targeted approach to detect serious roadworthiness defects and traffic offences	28,000 serious defects and offences	28,386 Partially achieved[4]
Maintain the number of MOT cases where we act upon the most serious fraud, dishonesty and negligence and increase by 10% the number of prosecution cases brought from these investigations	From the 2021 to 2022 baseline	Partially achieved[5]
In support of the Traffic Commissioners strategic objectives, we will process HGV operator licence applications in an average of 35 working days or fewer	By March 2023	34.4 days Achieved

[4] Whilst we have exceeded the target level of serious defects and offences, the measure was partially achieved as we also committed to a reduction in the number of compliant encounters. While we did see a reduction of circa 5,000 clear encounters, this didn't fully meet the criteria that we set.
[5] We were unable to fully achieve this measure due to a number of prosecution cases remaining in the system at HM Courts & Tribunal Service awaiting court dates.

Key Achievements

Earned recognition

DVSA's earned recognition scheme for vehicle operators is a new way for them to prove their organisation meets driver and vehicle standards. It is a voluntary scheme that is designed to work for operators of all sizes.

These operators regularly share performance information with DVSA. In return, their vehicles are less likely to be stopped for inspections.

During the year, the earned recognition scheme has introduced new audit standards for both heavy goods vehicles (HGVs) and public service vehicles (PSVs). These standards have been recognised by the industry as the highest standards in terms of compliance and road safety. Many audit providers have adopted these standards into their own auditing criteria, further enhancing the status of the scheme and encouraging broader adoption by the industry.

During the year we launched a Transport for London (TfL) module so that this scheme can be used instead of the TfL equivalent scheme, including the Fleet Operator Recognition Scheme (FORS).

The Guild of British Coach Operators Module was also launched during the year which extends the scheme to coach operators who meet the highest safety and customer standards, so they too can access the same benefits.

EU mobility

New laws have come into force which require Light Goods Vehicles (LGV) working internationally, for hire or reward, to hold an international operator licence. Working with the Senior Traffic Commissioner, colleagues in Northern Ireland and the DfT we have introduced a new service to enable the new class of operator to apply for the necessary licence. This was delivered well ahead of the requirement which came into force in May 2023.

HGVs out of MOT trial

During the year we trialled using the National ANPR (Automatic Number Plate Recognition) Service (NAS) to identify HGVs being used on the roads without a valid MOT certificate. We found that there were a number of operators who had inadvertently let MOTs lapse. We supported these operators in raising standards and getting their fleet tested, with the least compliant operators being subject to further investigation and reported to the Traffic Commissioners.

Identifying and dealing with fraud

We have set up a new team of specialist caseworkers to focus on the highest risk and most complex cases of fraud. This has led to an increase in prosecutions with many fraudsters receiving custodial sentences. We have also successfully prosecuted new types of fraud, including fraudulent solicitors' letters used to support MOT garage applications. We have used new sources of data to evidence MOT fraud, enabling garages to be dealt with and fraudulent MOT results to be removed.

New ways of working

We have trialled new ways of working to ensure we target resource at the seriously and serially, non-compliant sectors of the industry. This has included new equipment such as the Mobile Inspection Unit. This unit is a mobile road check site that enables us to deliver thorough inspections in flexible locations. This has allowed us to target operators who had previously avoided static check sites.

We have trialled remote tachograph sensing kits, enabling us to identify some offences remotely without stopping the vehicle.

We have also successfully piloted new ways of working with Vehicle Examiners (VEs), specialising in either MOT enforcement or heavy vehicle enforcement. This has resulted in increased knowledge and competency levels across both schemes. The scheme will be rolled out across all VEs in the coming year.

Our customers, people and partners

Our customers

In our Vision to 2030 we set out our customer principles. Our aims are to be:

- **fair**
- **consistent**
- **clear**
- **professional**
- **helpful and approachable**

Key Performance Measure	Target	Outcome
We will implement improvements to our telephony platform, enabling a more flexible operating model for our customer service centre and delivering an improved service to our customers	By March 2023	Achieved
Call handling times	50% of calls handled within 120 seconds	66% Achieved
Achieve the Customer Contact Association Global Standard 7 accreditation for our contact centre	By March 2023	Assessment in Dec 22 Achieved

Customer principles

During the year we have developed our customer principles (see above). These principles set out the elements of customer satisfaction that we will focus on in order to achieve the best outcomes for DVSA and our customers. The principles are aligned to our strategy and vision to 2030.

Customer contact centre technology

We have increased capacity and upgraded the telephony system in our Customer Service Centre (CSC) to ensure we deliver the service levels our customers rightly expect. During the year, our customer service centre received 1.2m calls, a 22% increase on the previous year. In spite of this increase we exceeded our service level target with 66% of calls answered within 120 seconds.

We also responded to over 350,000 emails, a 3% increase on the previous year.

Our people



In our Vision to 2030 we set out principles to meet the aspirations of our colleagues. Our aspirations are to be:

- **respectful - we are helpful, collaborative, considerate and respectful in our interactions**
- **valued - we are engaged, motivated and feel valued for what we do**
- **together - we are united, and we are supportive, friendly, happy and positive**
- **enabled - we all lead and communicate with openness, honesty and transparency**
- **ready for the future - we are a forward-thinking, professional and respected organisation**

Key Performance Measures	Target	Outcome
During 2022 to 2023 we will engage all colleagues in 2-way conversations about the future of DVSA and making it a great place to work	PERMA engagement index score >=72%	72% Achieved
Continue to increase the percentage of our people from under-represented groups	From the 2021 to 2022 baseline	Partially achieved[6]
Continue to support our colleagues to ensure non-COVID-19 sickness absence remains below pre-pandemic levels (as at February 2020)	Below 9.33 days per FTE by March 2023	7.52 days Achieved

Skills and learning

During the year, 66 colleagues enrolled on new apprenticeship programmes. We launched our own Apprenticeship and Early Talent plan which aligns with the new Civil Service strategy for apprenticeships. Our target for 2022-23 was for 3% of colleagues to be

[6] We achieved an increase in the percentage of colleagues who are female, disabled or from an ethnic minority background but did not achieve an increase in people aged 16-24 and as such, the measure has been partially met.

undertaking apprenticeships. We almost achieved this with 2.7% being on a scheme.

We continue to identify the skills and capabilities that will enable colleagues to thrive in the future. These are aligned to the professional development tools as available through the Civil Service learning offer. We have further developed coaching and mentoring practices, creating a resource centre and building a community network.

We recognise the importance of great leadership at all levels. 80% of our frontline leaders have now completed a tailored leadership development programme. We have piloted the Government Campus 'new manager' programme and continue to offer leadership development programmes for all leaders.

Several colleagues secured places on Civil Service Talent programmes including Beyond Boundaries and Future Leaders Scheme. Our own internal leadership programme aimed at Women, supporting our diversity and inclusion agenda, has achieved great success with over 35% participants securing new roles.

Our investment in Digital, Data and Technology (DDaT) professionals continues with ambitious plans to attract talent and develop our Employee Value Proposition.

Diversity and inclusion

In April 2022 for the first time, we set clear diversity targets focussing on the four most under-represented groups across DVSA: 16-24 year olds, people with disabilities, people from ethnic minorities and women.

We have appointed our first board-level champion for diversity to challenge us to become a more diverse organisation. We have set up a Diversity Forum which includes champions from across the organisation to support diversity considerations within their respective directorates.

We achieved Disability Confident Leader status. This will help us to recruit, retain and develop people with disabilities. The Disability Confident badge shows disabled people that we recognise the value they can bring - putting us ahead in the search for talent.

We have benefitted from engagement with a wide range of early talent schemes, for example:

- Recruiting three individuals on a temporary basis through the Kick Start programme, of which one has secured a permanent role in the agency
- Receiving five entrants from the Civil Service Summer Diversity Internship
- Gaining two entrants from the summer Autism Exchange programme
- Recruiting two colleagues through the Going Forward into Employment (GFIE) scheme.

During the year we introduced three new staff network groups (SNGs) covering faith, multi-generational and social mobility. This is in addition to our already established SNGs for women, disabled, ethnic minority, LGBT+ colleagues and colleagues who are carers. The SNGs provide peer support and assist with achieving our inclusion ambitions.

Wellbeing

We have piloted training to increase understanding and support managers and colleagues in talking about mental health. We have launched a Positive Wellbeing programme to help all colleagues manage and improve their mental health and wellbeing. We have developed our Mental Health First Aiders supporting them further, including training in suicide awareness and domestic abuse and introduced a 'man down' forum.

Protecting our colleagues

We have successfully retained the certification for ISO 45001. This is the world recognised International Standard for Occupational Health and Safety

Management, which is externally assessed by the British Standards Institute. The goal of ISO 45001 is to reduce occupational injuries and diseases, including promoting and protecting physical and mental health by putting controls in place to mitigate risks and keep our people safe.

We introduced new initiatives to protect colleagues including further roll out of body worn cameras to Driving Examiners and recording of abusive calls in our contact centres. Both initiatives have improved the safety of colleagues, capturing the evidence required for Police to take further action where necessary. These have also significantly reduced the number of incidents with 13% fewer cases of abuse and 41% fewer cases of assault than in the previous year.

Communications and engagement

As well as encouraging participation in the annual Civil Service People Survey, we also run a series of pulse surveys throughout the year. We continue to develop channels to encourage colleagues to give their views, including a monthly live event with the CEO and directors. We also ran a series of face-to-face events across the country.

DVSA’s engagement index rose by 1 percentage point to 54% in the 2022 Civil Service People Survey. Many themes continued to see an increase, with ‘My Manager’ and ‘Resources and Workload’ rising by 4% each. Colleagues’ engagement with their job also remained high, at 72%.

The feedback from the survey indicated that we should focus on improving wellbeing, managing change, leadership, and learning and development. Schemes to address these areas have been introduced alongside continued support to reduce bullying, discrimination, and harassment.

Government stakeholders

Key Performance Measure	Target	Outcome
Freedom of Information Act - provide a response in 20 working days	90%	100% Achieved
Parliamentary questions - provide a response by the due date	100%	100% Achieved
Ministerial correspondence - provide a response within agreed timescales	95%	100% Achieved
Official correspondence - provide a response within 20 working days	80%	100% Achieved

We met all our measures for Official Correspondence during 2022-23.

Customer Services Highlights

Helping you through a lifetime of safe driving

1,960,000

driver tests on digital app

Keeping your vehicle safe to drive

770,000

vehicle tests on digital app

Protecting you from unsafe drivers

4,600,000

users of MOT reminder service

Our Financial Performance

Our financial performance is summarised below.

	2022-23 Actual £m	2022-23 Plan £m	2021-22 Actual £m
Income	**406.9**	**401.9**	**385.0**
Expenditure:			
Staff costs	(210.0)	(217.7)	(199.0)
Other operating charges	(176.4)	(178.0)	(165.8)
Non-current assets related costs	(38.7)	(43.7)	(23.8)
Net finance costs	(8.3)	(8.2)	(8.2)
	(433.4)	**(447.6)**	**(396.8)**
Total net expenditure	**(26.5)**	**(45.7)**	**(11.8)**

Net expenditure for the year

Demand for services remained higher than expected with 2.8 million theory tests delivered in line with the previous year. This was thought to have been a spike following COVID-19.

Practical test throughputs were below plan, with testing limited by our capacity to deliver. In spite of some successful recruitment, we were not able to build all the capacity we needed. 2.0 million tests were delivered during the year, and at year end we had 511,000 car practical tests booked and not yet delivered.

The net impact is that income was above plan by £5.0m with additional theory test income offsetting the practical test shortfall.

Overall expenditure was £14.2m below plan and £36.6m above prior year.

The planned £18.7m increase in staff costs was to provide for additional headcount in line with plans to increase testing capacity and cover the annual pay award. Whilst capacity did increase, this was below what we had planned. The net impact was an overall staff cost increase of £11.0m compared to the prior year.

Other operating charges were £10.6m above prior year and in line with plan. The further costs due to increased levels of activity were mainly due to higher than expected theory test volumes. These were offset by underspends in other areas, including IT and property maintenance.

Non-current asset-related costs in the prior year were net of £10.1m relating to gains on disposals, revaluations and impairments. Actual cost was £5.0m below plan due mainly to lower than expected depreciation.

An analysis of financial performance by activity is shown in note 2 to the Accounts.

Inflation has been in part contained, with the annual salary cost-of-living increase being in line with the DfT-wide settlement. Non-pay related inflation has been more challenging with pressure particularly on digital and estate-related expenditure.

Fees

Fees have remained largely unchanged for over 12 years. We have continued work with DfT, ministers and HM Treasury to review and update the fees we charge for our services.

Capital investment

We have continued with our programme of investments to drive forward the delivery of our strategic objectives.

Total capital investment during the year was £43.9m (2021-22 £42.4m). This included £24.4m on digital development, of which £11.0m related to the delivery of the Commercial Vehicle Services project and £7.4m on tangible assets (i.e. IT hardware, site improvements and vehicles). £12.1m of capital expenditure related to the establishment of new right of use assets (i.e. leased properties and vehicles) during the year.

During the year we sold property we no longer need, generating £4.2m of funds which was used to offset the overall cost of investment above.

Delegated budgets

During the year, we managed within the budgets delegated by DfT.

Delivering value for money

Key Performance Measure	Target	Outcome
Deliver against our efficiency plan	£11.0m	£8.8m Not achieved*
Payment of invoices within 5 working days	80%	92.4% Achieved

*This target was not fully achieved due to inflationary pressures partially offsetting efficiencies that were achieved.

Digital, data and technology

DVSA is a digital organisation and needs robust digital services to underpin the essential road safety activity that we do. We strive to be more agile and more flexible as we continue to transform to meet the challenges ahead. Through investment in our infrastructure, we have successfully moved away from our legacy estate this year to a cloud-based one, aligning with the Government Strategy and helping us build sustainable plans for the future.

To support our digital transformation, we have a Digital, Data and Technology Programme to ensure we have the necessary expertise and resources for the future. The programme has been looking at the professions of Digital, Data, Technology and Security within DVSA and how we build these professions to support our Services in a flexible and timely manner. The programme is also re-designing our digital functions to enable us to continue to deliver the Services we have today to a high standard. As a part of this, we have updated our service support model to minimise dependence on external providers and build better in-house digital capability.

As part of our continuous improvement work, we have successfully delivered the identification service of Gov.uk (previously One Login). This approach is aligned with Government strategies in Digital, Data and Technology, as well as Security.

We have developed a new Enterprise Architecture operating model to ensure we build efficient, integrated systems using the most appropriate technologies.

We have successfully retained our three star accreditation for our Service Desk with the Service Desk Institute (SDI), maintaining or improving our scores in all areas assessed.

Security

We continued to work on solutions to maintain and improve the security of our services. Part of this work is to address automated interactions (bots) where they have been limiting access for learners to book practical tests. We have introduced a suite of measures to address these bots and improve test availability to learner drivers. While our efforts on the existing booking system continue, we have begun to develop longer term booking and scheduling solutions designed to be more secure against these activities.

We also continued to work with our supply chain to ensure that their controls meet the requirements set out as part of our contracts. This included supplier audits or self-assessment based on an assessment of risk.

To inform our strategic planning, we moved to assess the maturity of our cyber security against the National Institute of Standards and Technology (NIST) Cyber Security Framework. This supports us in assessing ourselves against the UK National Cyber Security Centre (NCSC) assessment framework as a part of the Government Cyber Security Strategy.

Data

We have piloted ways to value the data we hold. This will enable us to better manage and protect our data in future.

New transport technologies

Vehicle automation will bring considerable change to transport and will, therefore, also change our services.

A key focus has been supporting industry with the development and introduction of automated vehicles and related technologies. This has included using our vehicle approvals services to support early work on introducing autonomous vehicles to the road for trials.

As part of wider DfT programmes we have begun developing methodologies for how automated vehicles will be operated and regulated in future.

Award Winning Theory Test Service major milestone achieved

The Future Theory Test Service (FTTS) project was started in June 2017 with a primary strategic objective to design and deliver a disaggregated business model. This would allow DVSA to maintain more control over the delivery of theory tests in future. Other objectives included developing a more flexible service that allowed quicker content changes, improving the user experience and investing in technology that enables further learning development.

The service had been outsourced since its inception in 1996, but the project successfully brought large elements in house, such as the digital platform underpinning delivery. The project has now reached its planned conclusion having successfully achieved all activities and objectives.

Its success was recognised last year when it won the prestigious UK IT Awards - Best Public Sector IT Project of the Year. The team from DVSA and our IT supplier jointly collected the Award which beat stiff competition from a shortlist of 10 projects.

The award recognised the extent to which strong leadership contributed significantly to the success of the project, aligned with an extremely dedicated and professional team set up to deliver the service through to live operation. From a customer's perspective transition to the new service was seamless, which in itself is a reflection of the scale of the achievement, of which the team are extremely proud.

The awarding body also noted how the project had successfully followed a hybrid approach delivery, using 'agile' arrangements for digital development and delivery and a more structured 'waterfall' approach to governance. A 'tower' based delivery structure was established during the implementation stage to better support the challenges of a complex delivery in a multi supplier environment.

As a central pillar in DVSA's strategy for improving road safety, successfully delivering FTTS is an important enabler for wider strategic opportunities. The technology solution developed for the TTS (Theory Test Service) will enable DVSA to launch a wider range of learning and assessment services to support 'a lifetime of safe and sustainable driving.'

Our estate

We have continued to review our estate to ensure that it is efficient, fit for purpose and sustainable, whilst retaining the flexibility to respond to changing needs.

Our estate comprises:

- 371 driving test centres
- 51 goods vehicles testing stations (GVTS sites)
- 67 enforcement sites

In 2022-23, we reduced our administrative office estate from around 14,600 sqm to around 9,865 sqm. In line with our 2022-23 plan, we have continued to adopt smarter working practices. During the year this enabled our Nottingham-based administrative colleagues to relocate to a Government Hub which offers a modern flexible working environment.

We have also continued to work with the Government Property Agency (GPA) to ensure best cross government use of administrative properties and on 1 April 2022 we transferred the ownership of Berkeley House, our head office and administration building in Bristol, to the GPA.

As a part of our commitment to rationalise the estate we have continued to assess all frontline sites to inform our future plans and have progressed work to dispose of many of our GVTS and enforcement sites.

We have invested in our Operations estate to enable rationalisation where possible. For example, we have redeveloped the Birmingham Kingstanding DTC which enables the closure of 2 nearby sites with services covered from that single location.

We have begun investment in our Net Zero estate plan, with the completion of works at Burton and Enfield MPTCs, replacing fossil-fuel heating systems with electric heat-pump systems and installing solar photo-voltaic panels for energy generation. This work also incorporated smarter working for frontline staff accommodation and our experiences continue to guide how hybrid working might be best used to continue to deliver great customer service from across our estate.

The maintenance of our estate is carried out through a Total Facilities Management (TFM) contract. We have reviewed our current TFM contract offering in readiness for the procurement of TFM 3rd generation contract – the current contract expires in 2025. This will ensure we continue to provide an estate that is fit for purpose, and sustainable, with efficient life-cycle maintenance plans in place.

Delivering Sustainability

Key Performance Measure	Target	Outcome
DVSA will contribute towards the government's aim of net-zero greenhouse emissions by 2050 through the 2021 to 2025 Greening Government Commitments (GGC)	Total emissions at 6,153 Tonnes of Carbon equivalent (TCO2e) or less	5,292 TCO2e Achieved

Achievements and preparation for a Net Zero future

We are committed to achieving Net Zero (carbon) by 2040, 10 years ahead of the 2050 deadline set out in UK legislation.

We define Net Zero as meaning 'to reduce our consumption and carbon emissions as close to 'absolute zero' as possible, and offsetting what we cannot eliminate via Greenhouse Gas Removal (GGR) methods.'

DVSA sustainability strategy

We updated our Sustainable Development strategy, to show how we will achieve our Net Zero target and alongside our programme to deliver against our Greening Government Commitments (GGC).

We expect to publish the Strategy in 2023-24.

DVSA's emissions profile

We have identified that the contributing sources of our carbon emissions are primarily from 3 sources:

- 50% from business travel
- 25% from direct burning of gas/oil/Liquid Petroleum Gas (LPG) for heating
- 25% derived from generating the electricity we use.

Business travel

Our target is to reduce business travel emissions by 5% per year. We achieved a 14% reduction during the year through improved use of conferencing technology to minimise unnecessary travel between sites.

We have continued work to review the DVSA Travel Policy to challenge and minimise unnecessary travel. It will also encourage sustainable travel choices, thereby reducing associated carbon emissions and unproductive travel time.

We achieved the Government Fleet Commitment of a 25% Ultra Low Emission Vehicles (ULEV) fleet by 2022 and are progressing towards a 100% Zero Emission Vehicles (ZEV) for cars and vans by 2027. We are investing in charging infrastructure, and assessing how this may affect our existing service delivery model.

Decarbonisation of buildings

We completed our 'pilot' decarbonisation Net Zero project, at Burton-on-Trent Multi-Purpose Test Centre (MPTC). It trials existing technologies and enables us to baseline building performance and energy demand. It includes measures such as:

- Air-Source Heat Pump (ASHP)
- Phase Change Material (PCM) technologies
- roof-mounted solar panels.

Based on this pilot, we have established a design for larger-scale decarbonisation projects for all of our MPTCs.

Climate Change Adaptation

In conjunction with the MPTC decarbonisation works, we have also begun addressing the post-COVID-19 requirement for better ventilation. We have also included measures for improving cooling, to provide a resilient and healthy workplace, as Climate Change (Global Heating) makes our summers hotter for longer.

Nature Recovery

During the year we initiated a ‘no-mow from May’ pilot at eleven sites to support biodiversity. Although we have limited sites where this strategy can be effective, we will double the number of sites in 2023.

Renewables

Our electricity is supplied via a 100% renewables tariff which means we are carbon neutral for all our electricity use. However, we still report assumed carbon emissions as we continue to strive to reduce consumption.

DfT’s strategy is to increase on-site electricity generation capacity, and we have continued to increase our on-site generation each year, further reducing our reliance on grid-supplied energy. We use both wind and solar power which currently represents 1.6% of our total electricity consumption.

During the year we increased our solar energy generation capacity by 23 to 118 kiloWatt peak (kWp).

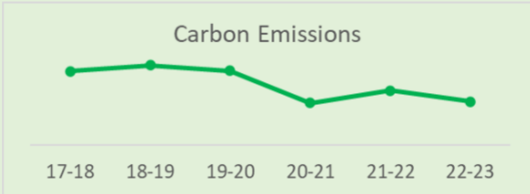
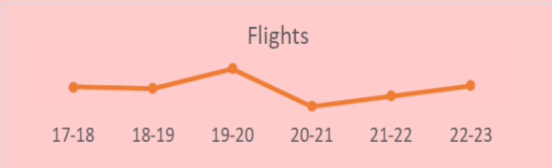
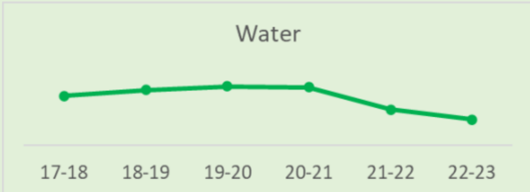
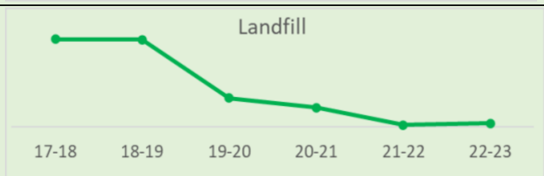
Waste

With our single provider of waste processing we are now using collection and processing data to drive efficiencies, more accurate reporting and improved performance.

Greening Government Commitments (GGC)

The 2020-2025 GGC revised targets were published in November 2021 and we continue to make progress against these targets. Our greenhouse gas emissions, water consumption and waste numbers are helped by hybrid working and lower attendance at our administrative sites, as per the table below.

Please note that, with new additional data available for previous years, we have retrospectively amended some numbers to reflect the new data. We are not able accurately to estimate ‘home working’ consumption and emissions, so these are missing from our numbers.

Greening Government Commitment	2017-18 Baseline	Progress from 2017-18 to 2022-23	2022-23 Target	2022-23 Performance
Mitigating Climate Change				
Reduce Greenhouse gas emissions	8,820 tonnes of CO_2		6,153 tonnes of CO_2 equivalent	5,292 tonnes of CO_2e
Reduce business flights	1,114 flights		746 flights	853 flights
Reduce water use	14.9m3/FTE (Full Time Equivalent)		14.5m3/ FTE	9.9m3/FTE
Paper use	21,000 reams		18,347 reams	12,915 reams
Minimising Waste				
Waste arising	1,116 tonnes		1,021 tonnes	494 tonnes
Waste to landfill	81%		< 5% to landfill	<5% (40T)

Reducing Greenhouse gas emissions

Emissions have remained within target due to continuing to travel less since COVID-19. There has been a small reduction since the previous year due to continued reductions to our administration estate.

The main office in Nottingham has moved to a government hub location which means those emissions are no longer within our figures. This has had only a marginal impact on the reported figures.

Reducing business flights

Despite increased use of digital alternatives (e.g. digital conferencing and meetings) the number of flights is above target.

Flying remains the only viable option in some circumstances. For example, delivering our service on Scottish islands.

Reduce water use

Reductions in water usage have been achieved through reduced occupancy in our administrative estate due to hybrid working. This reduction is likely offset by increased water use by colleagues when working at home.

Paper use

Paper usage has continued to reduce, partly due to better working practices, but also due to the increased acceptance of on-screen information rather than printed copy.

Waste arising

The amount of waste has increased slightly although remains substantially below target.

The increase is due to one-off waste associated with site disposals where waste is a by-product of getting the site fit for sale.

Waste to landfill

We have recently appointed a new single waste supplier and now have more detailed waste reporting.

Waste to landfill has reduced to within target due to landfill avoidance measures. In particular waste being incinerated to produce energy.

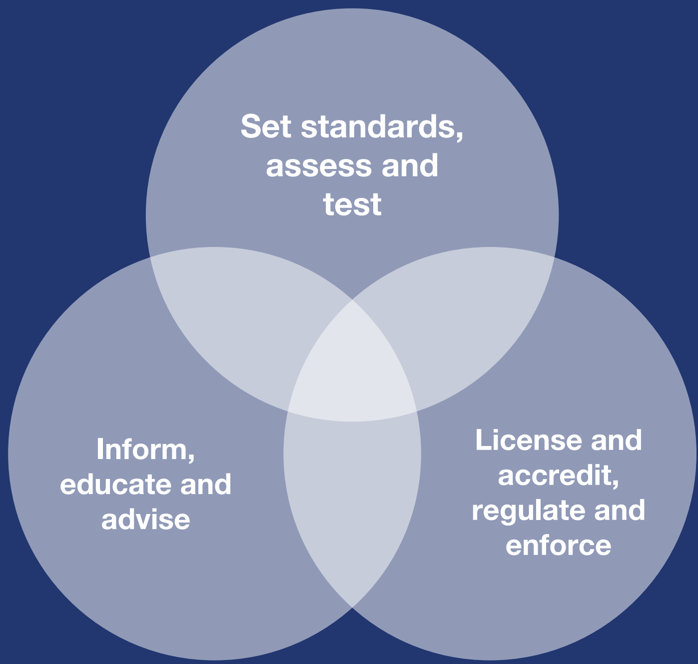
Chief Executive and Accounting Officer
18 July 2023

DVSA's vision to 2030

For customers
Services that are simple, clear and fair

For our people
Work with purpose, professionalism and pride

For our partners
Collaboration and constructive conversations



We have listened to our customers, stakeholders and colleagues and published in our Vision to 2030 the principles they have asked us work to. As we improve throughout the decade, working well together will result in better outcomes for everyone and keep Britain moving.

"I hate tests. But the booking service was really easy and made things less stressful. Getting my licence is so important for my career."

Michael
Learner Driver

"I was a bit nervous about using some of the self-driving features in my new car, but the help and guidance from DVSA was really useful and reassuring."

Zofia
Experienced driver

"My training taught me how to test sensors on self-driving vehicles, and make sure all the latest software updates are installed."

Aaron
MOT tester

"It just works. DVSA Earned Recognition gets us stopped less and gives DVSA more time to focus on getting rid of the cowboys."

Lesley
Haulage company transport manager

Our services fall into 3 groups

- Helping you through a lifetime of safe and sustainable journeys
- Helping you keep your vehicle safe to drive
- Protecting you from unsafe drivers and vehicles

Our challenges

- Make roads safer
- Improve services for customers
- Make road transport cleaner, greener and healthier
- Harness the potential of technology and data
- Grow and level up the economy

Accountability Report

Overview

The Accountability Report consists of the:

- Corporate Governance Report
- Remuneration and Staff Report
- Parliamentary Accountability and Audit Report

The purpose of the Corporate Governance Report is to explain the agency's governance structures and how they support the achievement of the agency's objectives.

The Remuneration and Staff Report sets out the agency's remuneration policy for directors, reports on how that policy has been implemented, and sets out the amounts awarded to directors. It also provides information about staff numbers and staff remuneration, as set out in the HM Treasury's Government Financial Reporting Manual (FReM) 2022-23 Government Financial Reporting Manual: 2022-23 - GOV.UK (www.gov.uk)

The Parliamentary Accountability and Audit Report brings together the key parliamentary accountability documents within the Annual Report and Accounts.

Corporate Governance Report

The Corporate Governance Report has three parts: the Directors' Report, the Statement of Accounting Officer's Responsibilities and the Governance Statement.

Directors' Report

The Directors' Report is produced to comply with the requirements of the Companies Act 2006, adjusted for the public sector context as required by HM Treasury's Government Financial Reporting Manual (FReM) 2022-23, to report on governance, remuneration, performance and staff issues.

Information about the directors who served on the DVSA Board in the year ended 31 March 2023 is set out in the Governance Statement.

Directors have declared that they hold no significant third party or any other interests that may conflict with their Board duties.

In 2022-23, two personal data related incidents were reported to the Information Commissioner's Office (ICO). The ICO did not require the agency to take further action.

Statement of Accounting Officer's Responsibilities

Under Section 7 (2) of the Government Resources and Accounts Act 2000, HM Treasury has directed DVSA to prepare a statement of accounts ("the Accounts") in the form and on the basis set out in the Accounts Direction and as stipulated in Dear Accounting Officer letter DAO 06/22.

The Accounts are prepared under UK adopted International Accounting Standards as interpreted by HM Treasury's Government Financial Reporting Manual (FReM), on an accruals basis and must give a true and fair view of the state of affairs of DVSA as at 31 March 2023 and of the statement of comprehensive net expenditure, changes in taxpayers' equity, and cash flows for the financial year.

HM Treasury has appointed DVSA's Chief Executive as the Accounting Officer for DVSA. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding DVSA's assets, are set out in the Accounting Officers' Memorandum, issued by HM Treasury and published in Managing Public Money (https://www.gov.uk/government/publications/managing-public-money).

In preparing the Accounts, the Accounting Officer is required to comply with the requirements of the FReM, and appropriate accounting standards and in particular to:

- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the FReM have been followed, and disclose and explain any material departures in the Accounts
- prepare the Accounts on a going concern basis

- confirm that the Annual Report and Accounts as a whole are fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

Disclosure of audit information

As far as the Accounting Officer is aware, there is no relevant audit information of which the agency's auditors are unaware. The Accounting Officer has taken all the steps that she ought to have taken to make herself aware of any relevant audit information and to establish that the agency's auditors are aware of that information.

Responsibility for the Annual Report and Accounts

The Accounting Officer has confirmed that the Annual Report and Accounts as a whole are fair, balanced and understandable and that she takes personal responsibility for the Annual Report and Accounts and the judgments required for determining that they are fair, balanced and understandable.

Governance Statement

Accounting Officer's introduction

HM Treasury has appointed me as the Chief Executive as Accounting Officer for the agency. As Accounting Officer, I am responsible to Parliament for safeguarding the public funds; for ensuring propriety, regularity, value for money and handling of public funds. In addition, I am accountable to DfT for the day-to-day operations and management of DVSA, including the efficient and effective use of people and other resources.

I am also required as Accounting Officer by HM Treasury's Managing Public Money and the HM Treasury's Government Financial Reporting Manual (FReM) to provide a statement on how I have discharged my responsibility to manage and control the resources for which I am responsible during the year. This Governance Statement outlines the approach to delivering effective corporate governance for the agency in the year ended 31 March 2023.

Introduction

Our Governance statement describes how our Board and its supporting structures work and how they have performed. It provides an assessment of how the agency has been managed, including the effectiveness of the systems of internal control, risk management and accountability.

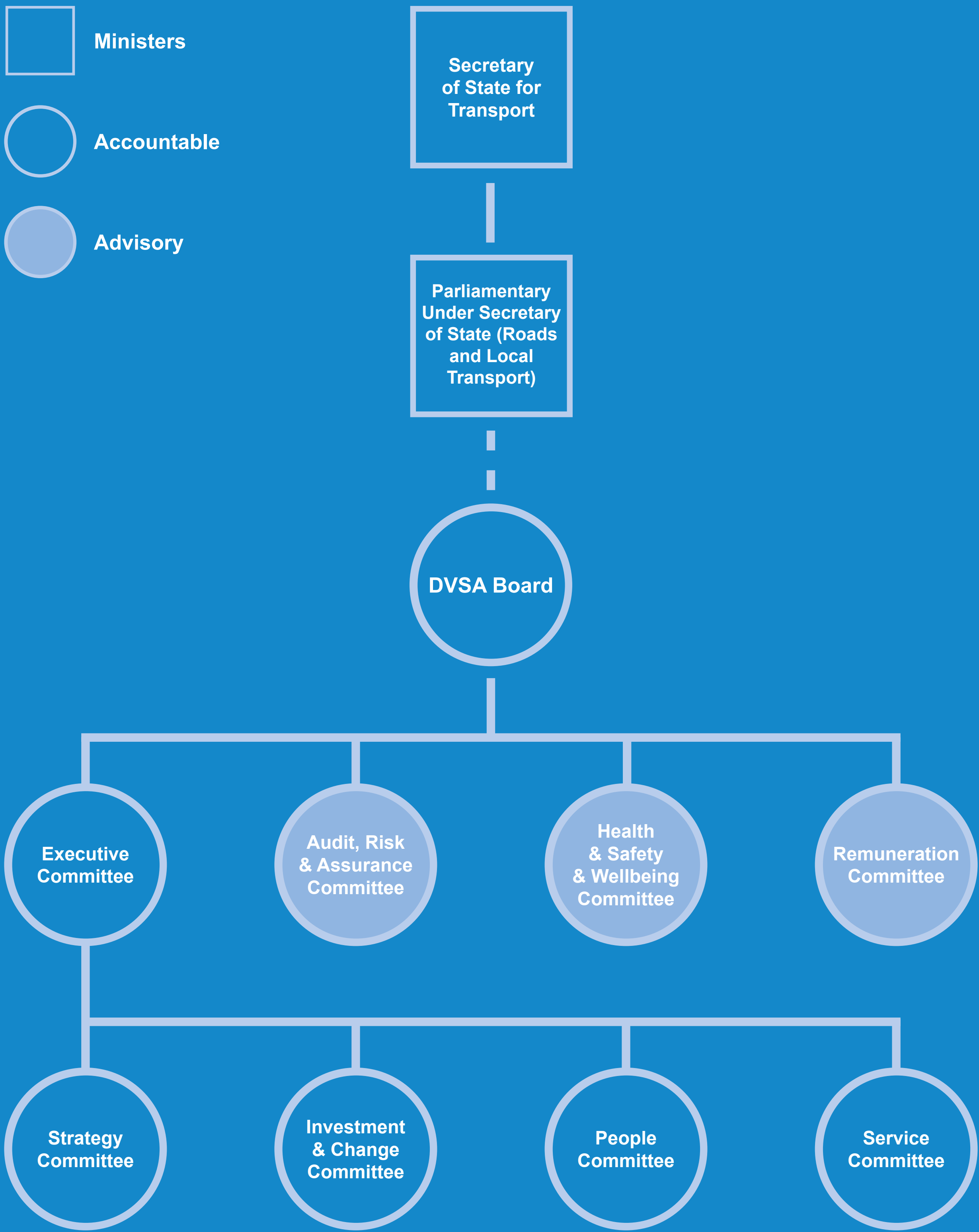
As Accounting Officer, the Chief Executive has responsibility for the proper, effective and efficient use of public funds and may be required to appear before Parliamentary Select Committees. The Chief Executive is accountable to the Secretary of State for Transport for our performance in accordance with the Framework Document, which sets out the accountability and key relationships between us and DfT.

Governance framework

Governance arrangements are set out in the DVSA Framework Agreement. The agreement is owned by DfT and was developed in consultation with DVSA. This framework detailed how the agency's corporate leadership was organised, how decisions were made, how finances were controlled and how performance and risk were monitored and managed in accordance with the HMT Corporate Governance in Central Government Departments: Code of Good Practice 2017. The governance structure upholds the principles of the Code where relevant and meaningful.

Governance structure

The agency’s high-level governance structure and the committees that support the Executive Committee are illustrated below, as well as our reporting lines through to ministers.



Governance structure

DVSA Board

The DVSA Board is responsible for setting the strategic direction of the agency and provides oversight of business objectives, key risks and governance responsibilities. The Non-Executive Chair is appointed by the Secretary of State for Transport. Their principal responsibility is to chair the DVSA Board with the purpose of guiding, supporting and challenging the strategy of the agency. Non-Executive Directors provide independent external advice and expertise to inform the decision-making process.

There is a clear demarcation between the responsibilities of the DVSA Board and the Executive Team. Our Board provides the Secretary of State for Transport with assurance on the effectiveness with which we are run and are meeting our strategic goals. It holds the Chief Executive and Executive Team to account for the achievement of these goals.

Executive and non-Executive Director conflicts of interest are recorded in the Board Business Interests Register, which is updated as required and formally reviewed annually. The first agenda item at every Board meeting is for the Chair to ask all members if they have any new business interests since the last meeting and if there are any conflicts of interest arising either from that new interest or from any interest they have declared in the past with items for discussion on the agenda. That request and any response is recorded in the minutes.

Executive Committee

The Executive Team meets formally on a monthly basis and has accountability for delivering the annual business plan and for day-to-day management of the agency. This committee is chaired by the Chief Executive.

Audit, Risk & Assurance Committee

The Board is supported by the Audit, Risk & Assurance Committee, chaired by a Non-Executive Director, which is responsible for reviewing the comprehensiveness of assurance systems and processes and advises on issues of risk, control and governance.

Health and Safety and Wellbeing Committee

The Board is supported by the Health and Safety and Wellbeing Committee, also chaired by a Non-Executive Director to advise on matters regarding health and safety policy, wellbeing, structure and communication, reviewing these against the respective legal obligations. The committee also ensures that incidents and near misses are properly investigated and reported back to the committee.

Remuneration Committee

The Remuneration Committee is chaired by the Non-Executive Chair. The committee’s role is to make recommendations to DfT and the Chief Executive on all aspects of performance and remuneration recommendations for DVSA’s Senior Civil Servants (SCS) in accordance with current pay guidance and with regard to equal opportunities. It also plans for the succession of the organisation into SCS posts, noting key roles and potential risks.

Executive Directors

Loveday Ryder
Chief Executive

Carrie Dolan MBE
Director of Corporate Services

Peter Hearn
Director of Operations (North)

Richard Hennessy
Director of Operations (South)

Marian Kitson
Director of Enforcement

Adrian Long
Director of Corporate Affairs

Clare Nichols
Chief Financial Officer

Paula Pitcher
Director of People

Becky Thomas
Director of Strategy, Policy, Digital and Technology

Non-Executive Directors

Nick Bitel
Non-Executive Director
& Chair of DVSA Board

Nick Bitel became the Non-Executive Chair of the Driver and Vehicle Standards Agency in July 2021.

Nick is the Chief Executive of the London Marathon.

Nick is also a qualified solicitor and consultant at Armstrong Teasdale. He specialises in Sports Law and numbers many major events as clients.

He is also a Trustee of the Wimbledon Foundation.

Previously, Nick was:

- the longest ever serving Chair of Sport England
- a board member of UK Sport for 15 years
- a board member of the London Legacy Development Corporation (Olympic Park)
- a trustee of Wembley National Stadium Trust

Jacob Abboud
Non-Executive Director, DVSA

Dr Jacob Abboud was appointed as a Non-Executive Director at the Driver and Vehicle Standards Agency (DVSA) in August 2020.

Dr Jacob Abboud is the founder and Managing Partner of Petraenovus Consulting Ltd and has previously worked at Legal & General, Allianz Insurance and AXA UK & Ireland. He currently serves as a Non-Executive Director at the Financial Ombudsman Service and the UK Statistics Authority.

Jacob has previously held Non-Executive roles at:

- Allianz Business Services Limited (Premierline)
- The Motor Insurers' Bureau

Matthew Campbell-Hill
Non-Executive Director, DVSA

Matthew Campbell-Hill was appointed as a Non-Executive Director at the Driver and Vehicle Standards Agency (DVSA) in June 2019.

Matthew is a technology and media consultant with a special interest in emerging technology use and public engagement. He has worked across the public, private and third sectors in marketing and sales, media and technology. He has also competed internationally for Great Britain in wheelchair fencing.

Matthew's other current roles include:

- Senior Fellow at the University of Birmingham, College of Medical and Dental Sciences
- Anaesthesia Section Council Member for the Royal Society of Medicine, Section President Designate
- Chair, Teds Light CIC Ltd
- Director, AerosolShield Ltd
- Director, The International Innovation House Ltd
- Expert Advisor, Connected and Automated Vehicles Process for Assuring Safety and Security Programme
- Mentor, NHS Clinical Entrepreneurs Programme
- Board Advisor, MICA BioSystems Ltd

Emir Feisal
Chair of DVSA Audit, Risk &
Assurance Committee and
Non-Executive Director, DVSA

Emir Feisal was appointed as a Non-Executive Director at the Driver and Vehicle Standards Agency (DVSA) in August 2020.

Emir is a Chartered Accountant and a specialist in transformational change and Essential Resource Planning. The majority of his career was spent at the Sunday Times as Associate Managing Editor.

He is a Commissioner for the Judicial Appointments Commission, which selects candidates for judicial office in Courts and tribunals. He is at present, a Board member and Audit Chair of Companies House, Member of the British Transport Police Authority, The Bar Standards Board, The Pension Ombudsman, and is a trustee of The Henry Smith Charity, one of the largest grant makers in the UK.

He has held Non-Executive board member positions with:

- The Serious Fraud Office
- Lambeth Clinical Commissioning group
- London Metropolitan University

Board and Committee Attendance

Figures denote meetings attended (meetings eligible to attend) between 1 April 2022 and 31 March 2023. The Board met ten times in the year, with non-attendance agreed in advance on an exceptional basis.

	DVSA Board	Audit, Risk & Assurance Committee	Health & Safety Committee	Remuneration Committee
	Meetings attended/Eligible meetings			
Current Board members				
Nick Bitel - Non-Executive Chair of DVSA and Remuneration Committee Chair	10/10	n/a	n/a	1/1
Emir Feisal - Non-Executive Director and Audit, Risk & Assurance Committee Chair	9/10	4/4	n/a	1/1
Jacob Abboud - Non-Executive Director	7/10	4/4	n/a	0/1
Matthew Campbell-Hill - Non-Executive Director and Health & Safety & Wellbeing Committee Chair	9/10	3/4	4/4	1/1
Loveday Ryder - Chief Executive	10/10	4/4	4/4	1/1
Clare Nichols – Chief Financial Officer (from 03/01/2023)	2/2	1/1	n/a	n/a
Peter Hearn - Director of Operations (North)	9/10	n/a	3/4	n/a
Richard Hennessy - Director of Operations (South)	8/10	n/a	3/4	n/a
Marian Kitson – Director of Enforcement (from 01/09/2022)	6/6	n/a	3/4	n/a
Adrian Long - Director of Corporate Affairs	10/10	n/a	n/a	n/a
Former Board members				
Helen Milne – Chief Financial Officer (to 01/09/2022)	4/4	1/1	n/a	n/a
Steven Badger and Kinga Tarnai – Joint acting Chief Financial Officer (01/09/2022 to 02/01/2023)	4/4	1/1	n/a	n/a

DVSA Board effectiveness

The Chair meets regularly with the Non-Executive Directors and Chief Executive to discuss their performance and to provide insights from their external perspective and experience.

The Board undertakes an annual internal effectiveness review of its performance against Cabinet Office, National Audit Office (NAO) and external good business practice governance guidance, agreeing an annual action plan to respond to its conclusions.

In addition, the Board periodically seeks assurance from an independent external assessor that the results of its annual self-assessment present a fair and accurate reflection of its performance and capability. The last such external review was conducted in 2022 and the conclusions incorporated into the Board's improvement plan.

Wider governance

The agency is sponsored by DfT. Through regular reporting and attendance at the DVSA Board, the DfT representatives help ensure that sufficient priority is afforded to operational delivery, progress towards business plan objectives and the management of risk.

In addition, the agency reports regularly to DfT on performance, on progress towards financial targets including efficiency savings, on risks and issues, and on other key activities. These reports are considered at the DfT Executive Committee and DfT Group Audit and Risk Committee as appropriate.

Management of our risks

DVSA applies the DfT risk management policy and HM Treasury guidance to identify and manage risks. The Board is committed to making sure the agency has an appropriate risk framework so that opportunities, uncertainties and threats can be assessed and are well managed.

Risk registers are in place at team, directorate and corporate level and these are reviewed monthly to escalate risks as appropriate. Projects and programmes also maintain risk registers, escalating to the portfolio risk register, which is reviewed monthly at the Investment & Change Committee.

Risk management is integral to the agency's planning, governance and quality assurance processes. The agency has an integrated risk management process, where risks are identified and managed at the right level.

The DVSA Board has undertaken an annual refresh of its risk appetite and principal risks, to ensure compliance with best practice.

The Executive Committee and the Board receive regular reporting where risks are outside of appetite, as well as details of the mitigating actions being taken. The Audit, Risk & Assurance Committee reviews the agency risk register and is updated on the risk management process on a quarterly basis.

During the year, we have also undertaken a risk maturity assessment, using the findings to inform an improvement plan.

In addition to the inherent risks that are always monitored, such as road safety standards, cyber and data security, and health and safety, the key areas of risk during 2022-23 were:

- Practical car test recovery – ensuring DVSA mitigated the risks to service recovery as far as possible and kept DfT and ministers appraised of any risks that could impact recovery in agreed timescales.
- Vocational driving test bootcamps – ensuring that DVSA had sufficient vocational testing capacity to meet the increased demand for tests.
- Resource and capacity – ensuring that DVSA mitigated the resourcing and capacity impacts of balancing delivery

of underlying workload with the extra demands from service recovery and new policy/departmental demands beyond what was agreed in the business plan.

- Wellbeing and burn out – ensuring that we mitigated the risk of employee burn out.
- IT provision – ensuring we had sufficient capability to manage our IT services to serve our customers, deliver our strategy and minimise technical debt.
- Recruitment and retention – ensuring we had the right staff with the right skills to deliver our services to customers and to deliver the agency's change programme in line with our business plan.
- Industrial relations – maintaining relationships with trade unions and ensuring DVSA were prepared for industrial action, undertaking contingency planning, mitigating impacts and enacting business continuity plans as and when required.

Assurance mechanisms and controls

There are a number of internal control processes in place which provide a framework for managers and employees to deliver DVSA's objectives successfully and efficiently. The main assurance mechanisms are:

a) Financial management and stewardship

DVSA follows all governance and assurance processes as required by HM Treasury and is audited by the Comptroller and Auditor General. The delegated authorities for DVSA, including financial delegations, are set out each year by DfT. There is a robust delegated approval structure that is controlled through the procurement and financial information systems.

Budgetary controls are supported by a comprehensive monthly planning, reporting and forecasting cycle which is overseen by the Board.

b) Functional standards

Functional standards provide a coherent, effective and mutually understood way of doing business within government and across organisational boundaries, and to provide a stable framework for assurance, risk management and capability improvement. They support value for money for the taxpayer and ensure consistent controls are implemented across the public sector. Following an assessment, improvement plans were identified to ensure compliance with all standards.

c) Data controls

Data controls are led by the Senior Information Risk Owner (SIRO), who receives monthly reports on information risks. The SIRO is accountable for information risk and is supported by a Head of Information Management and Security and Data, and by information asset owners, who are accountable for the day-to-day control of information. Data controls are under constant review and testing of DVSA systems is conducted regularly. All employees complete regular training and targeted training is provided for roles that have higher levels of responsibility for customer data.

d) Analytical assurance

The agency has established a quality assurance framework in line with DfT criteria that is used to assure all our business-critical analytical models against the requirements arising from the Macpherson Review of quality assurance of government models.

e) Project and portfolio assurance

The agency operates a three-tiered approach to project and portfolio assurance; first tier is the Portfolio Management Office and Programme/Project Boards, the second tier is the DVSA Corporate Assurance function and third tier is external reviews such as audit and Cabinet Office.

Our portfolio framework aligns to DfT's business case approvals framework and our assurance function assures projects and programmes in accordance with project management principles and Management of Successful Programmes (MSP).

We work with DfT and Cabinet Office to ensure we operate within the agreed spend controls and our assurance processes are aligned, using a risk-based approach for our portfolio.

Our spend control pipeline is subject to quarterly reviews at a Joint Assurance Review which includes DVSA's Investment & Change Committee, DfT and Central Digital and Data Office (CDDO) representation.

f) Commercial controls

As a central government body, our commercial activity is governed by legislation within the Public Contracts Regulations 2015. DfT and Cabinet Office (CO) governance and commercial controls must also be met. Control of commercial activity is administered by the commercial function and overseen by the Chief Financial Officer.

Our commercial function is responsible for working with the business to ensure that commercial practice is compliant with the regulations and DfT and Cabinet Office governance requirements.

Controls are in place to ensure we abide by the applicable government commercial standards and best practices as recommended by the Chartered Institute of Procurement & Supply.

g) Fraud, bribery and whistleblowing processes

DVSA is committed to protecting the integrity of the driver and vehicle compliance services. Losses and recoveries are report quarterly to the Cabinet Office via Department for Transport. Overall responsibility for the fraud, bribery and corruption policy sits with the Director of Enforcement. The Investigations & Counter Fraud Team conduct investigations in to both internal and external fraud. The team also works with business areas to fraud risk-assess business processes and practices, providing support and advice to mitigate fraud opportunities.

The Whistleblowing process allows staff to raise concerns they may have about wrongdoing. There is a whistleblowing telephone line and an E-mail contact address.

All Fraud and whistleblowing cases are reported to the Audit and Risk Committee.

h) The Management Assurance Return process

Executive Directors complete management assurance statements to assess the effectiveness of internal controls within their areas of responsibility. These statements are a key part of the system of internal controls and the responses were compiled by subject matter experts, challenged by internal audit, the Executive Committee and DfT, and signed off by the Audit, Risk & Assurance Committee. They are then reported to the DfT Group Audit and Risk Committee which considers them as a primary source of assurance of good governance.

Internal Audit

The following statement has been provided by the DVSA Head of Internal Audit.

"The Government Internal Audit Agency (GIAA) operates to standards defined in Government's Public Sector Internal Audit Standards. Its annual programme of work is based on (i) the analysis of risks to which the Agency is exposed, and (ii) key risks identified by the Audit & Risk Assurance Committee and Executive Team.

19 internal audit engagements were conducted at DVSA during 2022-23. One engagement was an advisory review, providing no formal assurance. Of the 18 (completed and provisional) assurance reviews, 13 provided 'moderate' (yellow) assurance, one provided 'substantial' (green) assurance, and two provided 'limited' (orange) assurance.

The GIAA Head of Internal Audit's overall annual opinion provided 'moderate' (yellow) assurance regarding the adequacy and effectiveness of corporate governance, risk management and internal control arrangements at DVSA in 2022/2023. This opinion is the same as 2021/2022. This year, internal auditors noted further progress in DVSA's transformation and improvement agendas, noting excellence in some areas, while also identifying opportunities for further improvement."

Accounting Officer's conclusion

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. At DVSA we aim to manage risk to a reasonable level, rather than to eliminate all risk. The system of internal control supports the achievement of our policies, aims and strategic goals, whilst safeguarding the funds and assets of the organisation, in accordance with HM Treasury's Managing Public Money. I am supported by GIAA, the internal assurance team and management assurance reporting by our executive managers that make up the internal control framework.

I am in agreement with the assessments of the agency's Head of Internal Audit and the executive directors' management assurance returns as outlined in this Governance Statement: namely that DVSA operated within a moderately effective control environment level of internal control during the reporting period

Chief Executive and Accounting Officer
18 July 2023

Remuneration and Staff Report

Remuneration Report

The remuneration report is presented in accordance with Civil Service Employer Pension Notice guidance.

Service contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found at www.civilservicecommission.org.uk.

Remuneration policy

The remuneration of Senior Civil Servants (SCS) is set by the Prime Minister following independent advice from the Senior Salaries Review Body.

From August 2014 the agency was required to adopt the DfT harmonised model including the Modernised Employment Contract as agreed between the trade unions, DfT and HM Treasury. This includes the terms and conditions relating to the remuneration (excluding pensions) and the payment of allowances for staff below Senior Civil Service grades.

Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interests of the directors of the agency.

Remuneration (salary, benefits in kind and pensions) (audited)

	Salary £000		Performance pay* £000		Pension benefits £000		Total £000	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Current Board members								
Chief Executive								
Loveday Ryder	125-130	120-125	5-10	0-5	30	60	165-170	185-190
Director								
Peter Hearn	100-105	95-100	5-10	5-10	-38	7	65-70	110-115
Richard Hennessy	100-105	95-100	0-5	0-5	38	37	140-145	135-140
Marian Kitson (from 01/09/2022)	45-50 (80-85)	-	-	-	11	-	65-70	-
Adrian Long	105-110	100-105	0-5	0-5	42	41	150-155	145-150
Clare Nichols (from 03/01/2023)	20-25 (95-100)	-	-	-	9	-	30-35	-
Non-Executive Chair								
Nick Bitel (from 21/07/2021)	25-30	20-25 (25-30)	-	-	-	-	25-30	20-25
Non-Executive Director								
Jacob Abboud	10-15	10-15	-	-	-	-	10-15	10-15
Matthew Campbell-Hill	15-20	15-20	-	-	-	-	15-20	15-20
Emir Feisal	15-20	15-20	-	-	-	-	15-20	15-20
Previous Board members								
Non-Executive Chair								
Shrinivas Honap (to 30/06/2021)	-	5-10 (30-35)	-	-	-	-	-	5-10
Chief Finance Officer								
Helen Milne (to 01/09/2022)	40-45 (95-100)	95-100	-	0-5	16	38	55-60	135-140
Steven Badger** (01/09/2022 to 02/01/2023)	20-25 (60-65)	-	0-5	-	9	-	30-35	-
Kinga Tarnai** (01/09/2022 to 02/01/2023)	20-25 (60-65)	-	0-5	-	0	-	20-25	-

The value of benefits in kind during the year was £0 (2021-22: £0).

*Performance pay includes performance related pay awarded by DfT and local recognition awards awarded by DVSA.

**Steven Badger and Kinga Tarnai acted to cover the Chief Finance Officer (CFO) role whilst also maintaining responsibilities within their permanent roles.

Notes to the remuneration tables (Current and Previous Board members)

Where a member of the Board served for only a part of a year, the full year equivalent (FYE) salary figure is also shown in brackets.

Pension benefits included in the table above represent the actuarially assessed increase in pension benefits at retirement age arising due to in-year service, calculated as per Finance Act 2013 rules.

Salary

Salary includes gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances and any other allowance to the extent that it is subject to UK taxation. This report is consistent with the recording of expenditure in the Accounts and is therefore based on accrued payments to the directors.

Performance pay

Performance pay is based on performance levels and is made as part of the appraisal process.

Benefits in kind

Benefits in kind cover the monetary value of benefits provided by the agency and treated by HM Revenue and Customs as a taxable emolument.

Fair Pay Disclosure (audited)

The remuneration for 2022-23 is derived from the annualised remuneration of all employees as at 31 March 2023. Part time employees' payments are adjusted to a full-time basis.

In 2022-23, 9 (2021-22: 8) staff received remuneration in excess of the highest-paid director, all of whom were contractors. Remuneration ranged from £19,000 to £201,321 (2021-22: £18,312 to £184,104). The remuneration banding for the highest paid employee was £200,000 - £205,000 (2021-22: £180,000-185,000). Contractors are appointed on a temporary basis to meet short term business needs.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce. Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions and cash equivalent transfer value of pensions. Figures are shown in the table below.

	25th percentile		Median		75th percentile	
	Pay	Pay ratio	Pay	Pay ratio	Pay	Pay ratio
2022-23						
Total pay and benefits	£27,448	5.0	£30,398	4.5	£35,460	3.9
Salary component*	£27,448		£27,448		£28,646	
2021-22						
Total pay and benefits	£26,778	4.8	£29,591	4.3	£34,143	3.7
Salary component*	£26,778		£21,841		£27,935	

*Does not include any overtime or allowances

The banded remuneration of the highest-paid director in DVSA in the financial year 2022-23 was £135,000-£140,000 (2021-22: £125,000-£130,000).

The annual percentage change in the salary and allowances (based on mid-point of band) of the highest paid director was an increase of 7.8% and the average change for employees was an increase of 3.5%.

The percentage change for performance pay (based on mid-point of band) of the highest paid director was an increase of 200%. For employees there was on average an increase of 5.4% in performance pay.

Pension benefits (audited)

	Accrued pension at pension age as at 31/03/23 and related lump sum £000	Real increase in pension and related lump sum at pension age £000	CETV at 31/03/23 or date of departure £000	CETV at 31/03/22 or date of departure £000	Real increase in CETV £000
Chief Executive					
Loveday Ryder	35-40	0-2.5	597	528	10
Directors					
Peter Hearn*	50-55 plus 135-140 lump sum	0 plus 0 lump sum	1,214	1,124	-53
Richard Hennessy	10-15	0-2.5	128	102	14
Adrian Long	25-30	0-2.5	444	385	31
Helen Milne (to 01/09/2022)	10-15	0-2.5	181	166	9
Clare Nichols (from 03/01/2023)	0-5	0-2.5	6	-	4
Marian Kitson	40-45 plus 80-85 lump sum	0-2.5 plus 0 lump sum	810	718	7
Steve Badger (01/09/2022-02/01/2023)	20-25	0-2.5	287	272	5
Kinga Tarnai* (01/09/2022-02/01/2023)	25-30	0-2.5	365	348	-3

*Taking account of inflation, the CETV funded by the employer has decreased in real terms

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS).

The PCSPS has four sections:

- 3 providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and

- one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation.

Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 switched into alpha sometime between 1 June 2015 and 1 February 2022.

Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below).

All members who switched to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they left alpha.

The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.

Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha.

Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement.

For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum.

Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium.

In nuvos a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate in 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme.

A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost.

CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation or contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Compensation for loss of office (audited)

No directors left under voluntary exit or voluntary redundancy terms during 2022-23 (2021-22: Nil). No compensation payments were paid (2021-22: Nil).

Staff Report

Staff costs (audited)

An analysis of the agency's staff costs and expenditure on consultancy is provided in note 3 to the Accounts.

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme – known as "alpha"– are unfunded multi-employer defined benefit schemes in which DVSA is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2016. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservicepensionscheme.org.uk/about-us/resource-accounts/).

For 2022-23, employers' contributions of £36,099,000 were payable to the PCSPS (2021-22: £34,880,000) at one of four rates in the range 26.6% to 30.3% (2021-22: 26.6% to 30.3%) of pensionable pay, based on salary bands. The scheme's actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2022-23 to be paid when the member retires and not the benefits paid during this period to existing pensioners. Employees can opt to open a partnership pension account which is a stakeholder pension with an employer contribution. Employers' contributions of £262,000 (2021-22: £253,000) were payable to Legal & General, the appointed stakeholder pension provider. Employer contributions are age related and range from 8.0% to 14.75%. Employers also match employee contributions up to 3.0% of pensionable pay. In addition, employer contributions of £8,000, 0.5% of pensionable pay (2021-22: £8,000, 0.5%), were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions (included above) due to the partnership pension provider at the reporting period date were £22,000 (2021-22: £20,000).

3 persons (2021-22: 4 persons) retired on ill-health grounds during the year; no additional pension liabilities accrued in relation to these retirements (2021-22: Nil).

DVSA operates an early retirement scheme which continues to pay retirement benefits to certain qualifying employees. These benefits conform to the rules of the Civil Service Compensation Scheme. DVSA bears the cost of these benefits until the normal retirement age of the employees retired under the early retirement scheme. The total pension liability up to normal retirement in respect of each employee has been charged to the Statement of Comprehensive Net Expenditure in the year in which the employee took early retirement and a provision for the future pension payments has been created. Funds are released from that provision annually to fund pension and related benefits payments to the retired employee until normal retirement age.

DVSA recognises the cost of providing employee benefits, such as holiday pay, in the period in which the employee earns the benefit.

Employee numbers (audited)

Average numbers of persons employed	Permanently employed staff No.	Others No.	2022-23 Total No.	2021-22 Total No.
Directly employed				
Senior Civil Servant	9	-	9	9
Grade 6	20	-	20	22
Grade 7	109	2	111	107
Senior Executive Officer	294	14	308	301
Higher Executive Officer	695	10	705	663
Executive Officer	2,440	4	2,444	2,461
Administration Officer	1,066	62	1,128	1,076
Administration Assistant	11	-	11	12
Total	**4,644**	**92**	**4,736**	**4,651**

The number of persons employed are shown as the number of full-time equivalent staff employed during the year. The category “Others” includes contractors and agency staff.

Civil service and other compensation schemes (audited)

Exit Package Cost Band	Total by Cost Band	
	2022-23	**2021-22**
<£10,000	-	-
£10,000 - £25,000	-	-
£25,000 - £50,000	-	1
£50,000 - £100,000	-	-
Total Packages	-	**1**
Total Cost (£000)	**-**	**43**

Redundancy and other departure costs are paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Ill-health retirement costs are met by the pension scheme and are not included in the table.

During the financial year 2022-23 no payments were made which were not covered by the Civil Service Compensation Scheme (2021-22: Nil).

Review of tax arrangements of public sector appointees

Off- payroll engagements for more than £245 per day as at	31 March 2023 No.
Number of existing engagements	30
Of which:	
Number that have existed for less than one year	23
Number that have existed for between one and two years	7

DfT confirms that all existing off-payroll engagements, outlined above, have at some point been subject to a risk-based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.

Off- payroll engagements during the year ended 31st March 2023 earning more than £245 per day	2022-23 No.
Number of engagements in the year	49
Of which:	
Number not subject to off-payroll legislation	42
Number assessed as within the scope of IR35 tax legislation	7

Board members, and/or senior officials with significant financial responsibility during the financial year	2022-23
Number of Board members and/or senior officials with significant financial responsibility. This figure includes both off-payroll and on-payroll engagements.	9
Number of off-payroll engagements	-

Gender equality

DVSA has a number of staff network groups to help promote equality, diversity and inclusion and advise on these issues. As at 31 March 2023:

- three of the ten members of the DVSA Board were female
- six of the nine Senior Civil Servants employed by DVSA (including three members of the DVSA board) were female
- of the remaining workforce, 32% were female

The agency's gender pay gap information is published as part of the DfT Gender Pay Gap Report [DfT: gender pay gap report and data 2022 - GOV.UK (www.gov.uk)](#) .

Sickness absence data

The agency maintains records of sickness absence in line with Cabinet Office definitions. Further information on sickness absence is reported in the Performance Analysis.

Staff turnover data

The agency monitors turnover rates in line with [Cabinet Office guidelines] to ensure an appropriate level of turnover is maintained. The turnover figure is calculated as the number of leavers within the reporting period divided by the average of staff in post over the period. DVSA's staff turnover rate for 2022-23 was 14.3% (2021-22: 12%).

Discrimination, bullying and harassment

The annual Civil Service People Survey, carried out in October 2022, identified that 8% of respondents had experienced discrimination (2021-22: 9%) and 10% (2021-22: 12%) had experienced bullying or harassment in the previous 12 months. The agency provides a mandatory training programme for all colleagues to build respect in the workplace and continues to ensure all receive this training.

Policy on employment of disabled persons

DVSA, as part of the Civil Service, is an equal opportunity employer. This means, amongst other things:

- giving full and fair consideration to applications for employment by the agency made by disabled persons, having regard to their particular aptitudes and abilities
- continuing the employment of, and arranging appropriate training for, employees of the agency who have become disabled persons during the period when they were employed by the agency
- providing for the training, career development and promotion of disabled persons employed by the agency

Employee involvement

The 2022 annual civil service staff engagement survey scored the agency at 54%, an increase of 1 percentage point from 53% in 2021. The return rate for the survey was 76% in 2022 (2021: 76%). Scores increased for most themes in the survey which was against the trend across the Civil Service. DVSA's 'My Manager' and 'Resources and Workload' themes rose by 4 percentage points from 2021.

Trade union facility time

Organisations are required to publish trade union facility time data. Trade union facility time is a legal entitlement and is allocated by DfT. Total time spent on union activities should equate to no more than 0.1% of the total pay bill and no-one should spend more than 50% of their time on such activities.

64 employees were trade union representatives during the year. No representatives spent more than 50% of their time on trade union facility activity. 14 of the representatives spent no time on trade union facility activity.

The cost to the agency of trade union facility time represents 0.03% of the pay bill of £205,478,000. None of the facility time was spent on paid trade union activities.

Parliamentary Accountability and Audit Report

Parliamentary Accountability Disclosures (audited)

This section on Parliamentary Accountability Disclosures is produced to comply with the requirements of the Companies Act 2006, adjusted for the public sector context as required by the HM Treasury Government Financial Reporting Manual 2022-23.

Regularity of income and expenditure

DVSA has complied with the regularity of expenditure requirements as set out in HM Treasury guidance.

The majority of DVSA's income is from statutory fees charging only what Parliament has authorised for the statutory services. The principal fees are set out in The Driving Theory Test Fees Regulations 2014, The Motor Vehicle (Driving Licences) Regulations 1999, The Goods Vehicles (Plating and Testing) Regulations 1988 and The Motor Vehicle (Tests) Regulations 1981.

Fees and charges

DVSA is required to set fees and charges to cover the full cost of the services provided, in accordance with Managing Public Money, and has complied with the cost allocation and charging requirements set out in HM Treasury guidance.

During the year, DVSA recorded the following income:

	2022-23 £m	2021-22 £m
Total income from operations	406.9	385.0
Of which:		
Income generated through fees and charges	402.6	380.2

DVSA is an executive agency of DfT and is largely funded from fees charged for the delivery of its operational activities. Services which are not funded by fees (such as some enforcement activity) are funded centrally via DfT.

Note 2 to the Accounts discloses the agency's income and costs by fee and non-fee funded activities, groups them by activity and shows the net income or net expenditure for each. DVSA has approximately 300 statutory fees therefore individual unit costs have not been reported. Individual fees charged by DVSA can be found at www.gov.uk.

During the accounting period the agency continued the process of reviewing its fees to ensure that it remains compliant over the medium term with the necessary legislation and guidelines, in particular Managing Public Money. Proposals include introducing a general fee increase before taking a staged approach to rebalancing income and costs by services over the medium to long term.

Losses and Special Payments	2022-23	2021-22
Losses		
Total number of losses	131	85
Total value of losses	£50,000	£57,000
Special Payments		
Total number of special payments	5,325	4,474
Total value of special payments	£951,000	£379,000

This includes ex-gratia payments of £478,000 (2021-22: £280,000) in respect of 5,315 cases (2021-22: 4,455). These payments are to driving test candidates to cover out of pocket expenses when tests are cancelled by the agency at short notice. All compensation payments are made in line with legal advice.

During the year there were no individual cases of losses or special payment over £300,000 (2021-22: none)

Remote contingent liabilities

There are no remote contingent liabilities.

Chief Executive and Accounting Officer
18 July 2023

The Certificate And Report Of The Comptroller And Auditor General To The House Of Commons

Opinion on financial statements

I certify that I have audited the financial statements of the Driver and Vehicle Standards Agency for the year ended 31 March 2023 under the Government Resources and Accounts Act 2000.

The financial statements comprise: the Driver and Vehicle Standards Agency's

- Statement of Financial Position as at 31 March 2023;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Driver and Vehicle Standards Agency's affairs as at 31 March 2023 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I am independent of the Driver and Vehicle Standards Agency in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Driver and Vehicle Standards Agency's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Driver and Vehicle Standards Agency's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Driver and Vehicle Standards Agency is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;

- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Driver and Vehicle Standards Agency and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- Adequate accounting records have not been kept by the Driver and Vehicle Standards Agency or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive as Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Driver and Vehicle Standards Agency from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;

- ensuring that the financial statements give a true and fair view and are prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- assessing the Driver and Vehicle Standards Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Driver and Vehicle Standards Agency will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud[7]

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Driver and Vehicle Standards Agency's accounting policies, key performance indicators and performance incentives.

---

[7] This heading, *Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud; Audit response to identified risk; and other auditor responsibilities* are SUB-headings under the general auditor's responsibility section of the certificate. It is important the final version is compliant with this formatting

- inquired of management, the Driver and Vehicle Standards Agency's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Driver and Vehicle Standards Agency's policies and procedures on:
    - identifying, evaluating and complying with laws and regulations;
    - detecting and responding to the risks of fraud; and
    - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Driver and Vehicle Standards Agency's controls relating to the Driver and Vehicle Standards Agency's compliance with the Government Resources and Accounts Act 2000, Managing Public Money, and the relevant statutes pertaining to the delivery of services;
- inquired of management, the Driver and Vehicle Standards Agency's head of internal audit and those charged with governance whether:
    - they were aware of any instances of non-compliance with laws and regulations;
    - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with the engagement team and the relevant internal specialists, including IT auditors and property experts, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Driver and Vehicle Standards Agency for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, bias in management estimates and significant or unusual transactions. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Driver and Vehicle Standards Agency's framework of authority and other legal and regulatory frameworks in which the Driver and Vehicle Standards Agency operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Driver and Vehicle Standards Agency. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2022, employment law, tax legislation and the relevant statutes pertaining to the delivery of services.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;

- I enquired of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports; and
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Gareth Davies **Date 18 July 2023**

Comptroller and Auditor General

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

The Accounts

Statement of Comprehensive Net Expenditure
For the year ended 31 March 2023

	Note	2022-23 £000	2021-22 £000
Income from operations			
Income from contracts with customers		402,431	380,037
Income from other operating activities		4,429	4,940
Total income from operations	2	**406,860**	**384,977**
Expenditure from operations			
Staff costs	3	(209,950)	(199,036)
Other operating charges	4	(176,402)	(165,754)
Depreciation, amortisation, impairment and profit / loss on asset disposal	6	(38,747)	(23,747)
Total expenditure from operations		**(425,099)**	**(388,537)**
Net operating expenditure		**(18,239)**	**(3,560)**
Finance income		17	17
Finance costs	5	(8,275)	(8,253)
Net finance costs		**(8,258)**	**(8,236)**
Net expenditure for the year		**(26,497)**	**(11,796)**
Other comprehensive net income			
Income and expenditure that will not be recycled through the Statement of Comprehensive Net Expenditure:			
Net gain on the revaluation of property, plant and equipment	6	8,861	19,325
Net gain on the revaluation of right-of-use assets	7	260	5,567
Total comprehensive net income / (expenditure) for the year		**(17,376)**	**13,096**

Accounting policies and notes forming part of the Accounts are on pages 71 to 95.

Statement of Financial Position
As at 31 March 2023

	Note	31 March 2023 £000	31 March 2022 £000
Non-current assets			
Property, plant, and equipment	6	152,505	151,762
Right of use assets	7	104,664	102,476
Intangible assets	8	122,150	115,880
Total non-current assets		**379,319**	**370,118**
Current assets			
Trade and other receivables	10	18,991	18,369
Assets held for sale	9	4,542	4,733
Cash and cash equivalents	15	99,022	100,492
Total current assets		**122,555**	**123,594**
Total assets		**501,874**	**493,712**
Current liabilities			
Trade and other payables	11	(111,735)	(114,018)
Lease liabilities	12	(14,011)	(13,557)
Provisions	13	(2,851)	(4,871)
Total current liabilities		**(128,597)**	**(132,446)**
Total assets less current liabilities		**373,277**	**361,266**
Non-current liabilities			
Lease liabilities	12	(92,849)	(86,890)
Provisions	13	(2,653)	(3,149)
Other payables	11	(13,983)	(14,016)
Total non-current liabilities		**(109,485)**	**(104,055)**
Net assets		**263,792**	**257,211**
Taxpayers' equity			
General fund	SoCTE	195,660	192,327
Revaluation reserve	SoCTE	68,132	64,884
Total taxpayers' equity		**263,792**	**257,211**

Accounting policies and notes forming part of the Accounts are on pages 71 to 95.

Chief Executive and Accounting Officer
18 July 2023

Statement of Cash Flows
For the year ended 31 March 2023

	Note	2022-23 £000	2021-22 £000
Cash flows from operating activities			
Net operating expenditure	SoCNE	(18,239)	(3,560)
Adjustments for non-cash transactions	15	37,340	24,947
(Increase) in trade and other receivables	10	(632)	(3,390)
(Decrease) / increase in trade and other payables	11	(1,494)	18,302
(Use) of provisions	13	(757)	(282)
Net cash inflow from operating activities		**16,218**	**36,017**
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(7,514)	(7,766)
Purchase of intangible assets	8	(25,986)	(32,949)
Proceeds of disposal of property, plant and equipment	6	7,446	14,267
Net cash (outflow) from investing activities		**(26,054)**	**(26,448)**
Cash flows from financing activities			
Interest received on cash balances		17	17
Capital repayments made under lease liabilities	12	(6,986)	(7,117)
Interest payments made under lease liabilities	12	(8,507)	(8,266)
DfT Supply funding received in year	SoCTE	23,842	2,038
Net financing		**8,366**	**(13,328)**
Net (decrease) in cash and cash equivalents	15	**(1,470)**	**(3,759)**
Cash and cash equivalents at the beginning of the year		**100,492**	**104,251**
Cash and cash equivalents at the end of the year		**99,022**	**100,492**

Accounting policies and notes forming part of the Accounts are on pages 71 to 95.

Statement of Changes in Taxpayers' Equity
For the year ended 31 March 2023

	Note	General Fund £000	Revaluation Reserve £000	Total Taxpayers' Equity £000
Balance as at 1 April 2021		**169,350**	**59,079**	**228,429**
Changes in 2021-22				
Net expenditure for the year	SoCNE	(11,796)	-	(11,796)
Revaluation gains and losses	SoCNE	-	24,892	24,892
Transfers between reserves		31,815	(31,815)	-
Non-cash charges: auditors' remuneration	4	110	-	110
Supply funding from DfT		2,038	-	2,038
First-time adoption of IFRS 16		810	12,728	13,538
Total		22,977	5,805	28,782
Balance as at 31 March 2022		**192,327**	**64,884**	**257,211**
Changes in 2022-23				
Net expenditure for the year	SoCNE	(26,497)	-	(26,497)
Revaluation gains and losses	SoCNE	-	9,121	9,121
Transfers between reserves		5,873	(5,873)	-
Non-cash charges: auditors' remuneration	4	115	-	115
Supply funding from DfT		23,842	-	23,842
Total		3,333	3,248	6,581
Balance as at 31 March 2023		**195,660**	**68,132**	**263,792**

Accounting policies and notes forming part of the Accounts are on pages 71 to 95.

Notes to the Accounts

Note 1 – Statement of accounting policies

These Accounts have been prepared in accordance with UK adopted International Accounting Standards as adapted and interpreted by HM Treasury's Government Financial Reporting Manual (FReM).

Where the FReM permits a choice of accounting policy, the policy judged most appropriate to give a true and fair view has been selected. These accounting policies have been applied consistently in dealing with items considered material to the Accounts.

There are new standards, amendments to standards and interpretations that are not yet effective for the year ended 31 March 2023 and have not been applied in these Accounts.

IFRS 17 *Insurance Contracts* requires a discounted cash flow approach to accounting for insurance contracts. This standard is not yet adopted for public sector accounts and is not expected to materially affect DVSA's Accounts.

a) Basis of preparation

The Accounts have been prepared under the historical cost convention, modified for the revaluation of property, plant and equipment. The financial statements have been prepared in accordance with the Accounts Direction issued by HM Treasury on 15 December 2022; DAO_06/22_ DAO__22__06_Non_bespoke_accounts_direction_2022-23.pdf (publishing.service.gov.uk).

In preparing the Accounts, the Board has considered the agency's overall financial position against the requirements of International Accounting Standard (IAS) 1. In the context of entities in the public sector, the anticipated continuation of a service in the future is normally sufficient evidence of going concern. The Accounts should be prepared on a going concern basis unless there are plans for, or no realistic alternative other than, the dissolution of the agency without the transfer of its services to another entity within the public sector. There are no such plans for at least 12 months from the date of approval of the Accounts and consequently have prepared the Accounts on a going concern basis.

b) Income recognition

DVSA recognises income from contracts with customers when performance obligations under those contracts are satisfied. This includes income from statutory fees and charges, in accordance with IFRS 15 as adapted by the FReM.

Income outside the scope of IFRS 15 is classified as income from other operating activities.

The following table describes the income recognition approach for each service:

Products and services	Nature, timing of satisfaction of performance obligations and significant payment terms
Theory and practical driving tests	Theory and practical driving tests are booked and paid for in advance of the delivery of the services. DVSA recognises income at completion of the test.
Administering the MOT service	Authorised examiners purchase 'slots' for the capability to deliver an MOT test, issue a certificate and record the result. DVSA recognises slot fee income when the testing 'slots' are sold. Once sold, DVSA has no further obligation, whether slots are used or not.
First and annual testing of heavy goods vehicles and public service vehicles	Vehicle tests are booked and paid for in advance of the delivery of the services. DVSA recognises income at completion of the test.
Application for operator licences and the granting of licences / Registration of bus routes	Income from applications for operator licences and registration of bus routes is recognised at the time of application and grant. For all grants of licences and continuation fees, income is released over the period of the licence.
Managing statutory and other registers	For all fees for inclusion on registers, income is released over the period of the registration.

c) Central departmental funding

Departmental funding is treated as a contribution rather than income. As a result, department "supply" funding is credited to reserves at the time of receipt, rather than recognised as income in line with IAS 20.

d) Value Added Tax

DVSA comes under the DfT group VAT registration. Where allowable, VAT is recovered on expenditure in relation to its statutory activities in accordance with HM Treasury's Contracted Out Services Direction and in relation to business activities under the Value Added Tax Act 1994.

VAT is charged on taxable business activities.

Income and expenditure are shown net of VAT and VAT is charged to the relevant expenditure category where it is irrecoverable or, if appropriate, capitalised within additions to non-current assets.

e) Segmental Reporting

It is not necessary for DVSA to provide segmental reporting under IFRS 8 because it operates as a single agency within a single market (Great Britain). An analysis of income and expenditure for key activities is provided in note 2. An analysis of assets and liabilities by activity is not provided given these are not regularly reported internally.

f) Valuation of property, plant and equipment

DVSA's property portfolio is analysed into its three categories for valuation purposes; specialist assets valued at depreciated replacement cost (DRC), non-specialist assets valued at existing use value (EUV) and surplus assets valued at market value (MV). Multi-purpose test centres and enforcement sites located near to major trunk roads are classified as specialist assets. Specialist properties are valued on a DRC basis on a four-year cycle with the values of those properties not valued in the current year being indexed in the intervening years.

All other properties held for their service potential are deemed non-specialist and are valued on an EUV basis on a four-year cycle with higher value properties (i.e. those valued at over £750k) valued annually. A breakdown of the valuation basis used for land and buildings is included in note 6.

Surplus properties planned for disposal are valued on an MV basis (as this represents the net realisable value of the asset) on a four-year cycle with higher value properties (i.e. those valued at over £750k) valued annually. They continue to be depreciated until they meet the criteria to transfer to “held for sale” - see assets held for sale – note 1 j).

Valuations are completed by Marc Seabrook, District Valuer Services, in accordance with the RICS Appraisal and Valuation Manual and the FReM.

All other tangible assets (plant and equipment, vehicles, and IT hardware) are revalued annually using indices published by the ONS. Indexation is first applied in the year following acquisition.

Title to Properties

Legal title to freehold land and buildings is held in the name of the Secretary of State for Transport. The control and management are vested in DVSA as if legal transfer has been affected.

The title to a small number of freehold enforcement sites is held by National Highways. DVSA holds all of the risks and rewards of ownership of these assets.

Capitalisation

The minimum level for capitalisation as a non-current asset is £5,000 for individual assets. Items of a lower value may be capitalised and recognised as assets where these form part of a larger group of assets or a specific project.

g) Assets under construction

DVSA capitalises the value of assets under construction at cost, including costs directly attributable to bringing the asset to its intended location and condition necessary for use. All assets that have not been commissioned during the year, but which are still in the course of construction at year end are classified accordingly at year end.

h) Intangible assets

Intangible assets consist of some software licences and IT system developments including Cloud-based software and contractual arrangements which give rise to significant future benefits.

Expenditure on IT systems development is capitalised if it is probable that it will generate future economic benefits. Expenditure capitalised includes project management, bought in services and the payroll costs of permanent staff working directly on the developments. General overhead is not included. Systems under development are shown as Assets Under Construction until they become operational and are subject to an annual impairment review.

Intangible assets are held at amortised cost as a proxy to depreciated/amortised replacement cost.

i) Depreciation and amortisation

No depreciation is charged on freehold land or assets under construction. Assets with a determinable useful economic life are depreciated at rates calculated to write off the assets over their expected useful economic lives on a straight-line basis from the month that the asset is brought into use.

The asset categories and estimated useful lives are as follows:

Freehold buildings	5 – 65 years
Plant and machinery	3 – 10 years
Transport equipment	3 – 10 years
IT equipment	3 – 7 years
IT system developments and software	2 – 10 years

Leasehold property and leasehold improvements are fully written down over the term of the lease with the exception of the Chadderton enforcement site where the lease is 999 years, and the leasehold property is written down over 60 years.

Contractual arrangements are fully written down over the term of the contract.

j) Assets held for sale

Assets held for sale comprise properties, plant and equipment that are no longer in operational use and are available for immediate sale in their present condition and are being actively marketed. The assets are reclassified from non-current to current assets at fair value. Assets held for sale are not depreciated.

k) Leases

Scope and classification

Contracts, or parts of a contract that convey the right to use an asset in exchange for consideration, are classified as leases and are accounted in accordance with IFRS 16 - Leases. The FReM expands the scope of IFRS 16 to include arrangements with nil consideration.

DVSA deems a contract or part of the contract to be a lease in substance if DVSA controls the use of an identified asset, as represented by rights to obtain substantially all the economic benefits from that asset and to direct its use. In such cases, the relevant part is treated as a lease.

DVSA excludes contracts for low-value items defined as items costing less than £5,000 when new, provided they are not highly dependent on or integrated with other items; and contracts with a term shorter than twelve months (comprising the non-cancellable period together with any extension options that DVSA is reasonably certain to exercise and any termination options that DVSA is not certain to exercise).

When lease payments become payable, VAT may be chargeable and may not be recoverable. Even where not recoverable such payments are not included in the valuation of the lease liability nor the associated RoU asset in line with accepted accounting practice.

Initial recognition

At the commencement of a lease (or the IFRS 16 transition date, if later) DVSA recognises a right-of-use asset and a lease liability.

The lease liability is measured as the payments for the remaining lease term net of irrecoverable value added tax, discounted either by the rate implicit in the lease, or, where this cannot be determined, DVSA’s incremental cost of borrowing. The lease term reflects DVSA’s assessment of the likelihood that it will exercise lease extension or cancellation options. The liability is based on payments that are fixed or in-substance fixed and excludes changes such as those arising from future rent reviews or changes in an index. For DVSA, the incremental cost of borrowing is the rate advised by HM Treasury for that calendar year (2022: 0.95%). The lease liability is presented within note 12.

The right-of-use asset is initially measured at the value of the liability, adjusted for: any advance payments made or amounts due before the commencement date; lease incentives received; incremental costs of obtaining the lease; and any disposal costs at the end of the lease. However, where the lease requires nominal or nil consideration (a type of arrangement often described as a “peppercorn” lease), the FReM requires that the asset be measured at its current value in existing use.

Subsequent measurement

The asset is subsequently measured using the fair value model. DVSA considers the cost model to be a reasonable proxy for this, except for leases of land and property without regular rent reviews and leases for land only.

The liability is adjusted for the accrued interest, repayments, and reassessments and modifications. Modifications are measured by re-discounting the revised cash flows; the impact is reflected in the liability and either in the asset valuation or expenditure.

Lease expenditure

Expenditure includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering events, such as rent reviews, occurred. Lease payments reduce the lease liability. Rental payments for leases of low-value items or shorter than twelve months are expensed.

DVSA as lessor

For these arrangements, DVSA assesses whether the leases are finance or operating leases. For finance leases, the asset is de-recognised and a lease receivable recognised. Interest is accrued throughout the year and recognised as income. For operating leases, rental income is recognised on a systematic basis, usually straight-line, over the lease term.

Estimates and judgements

DVSA determines the amounts to be recognised as the right-of-use asset and lease liability for embedded leases based on the stand-alone price of the lease and non-lease component or components. This reflects prices for leases of the underlying asset, where these are observable; otherwise DVSA uses other observable data, including the fair values of similar assets, or prices of contracts for similar non-lease components.

The FReM requires right-of-use assets held under “peppercorn” leases to be measured at existing use value. These leases include historic, long-term leases as well as more recent arrangements. To identify such leases, DVSA has distinguished between nominal consideration and consideration that is low, but proportionate to the asset’s value (for example, the lease of a small area of land with few alternative uses). This distinction reflects, so far as possible, recent, observable market arrangements for comparable assets (for example, current rentals); otherwise, based on DVSA’s own arrangements.

Where, for peppercorn leases, existing use value is required, this is calculated using market value rentals provided by external property consultants, over the lease term. Market value rentals will be provided on a regular basis.

l) Cash and cash equivalents

Cash is held within a current account with the Government Banking Service. Cash not required for short term operational needs is deposited with the National Loans Fund. The agency does not have any bank overdrafts.

m) Financial instruments

Financial instruments are contractual arrangements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The agency has considered the requirements of the relevant accounting standards (IAS 32 and IFRS 9) and has disclosed within note 16 the information it is required to report.

The carrying values of the agency’s financial assets and liabilities at 31 March 2023 are considered to represent fair value. This is due to the short-term nature of the financial instruments held.

The agency does not account for any fixed rate financial assets and liabilities at fair value through the Statement of Comprehensive Net Expenditure, and the agency has not designated any derivatives as hedging instruments under the fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect the deficit position.

Trade and other receivables are recognised initially at the original invoiced amount. Subsequent to initial recognition, they are shown at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables are recognised initially at original invoiced amount at the time the amount becomes payable under the contract.

n) Provisions

Provisions have been established under the criteria of IAS 37. Discount rates set by HM Treasury are applied to take account of the time value of money where significant cash flows are expected to arise beyond the next financial period.

o) Contingent liabilities

Contingent liabilities have been assessed under the IAS 37 criteria as the possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly in control of the agency; or a present obligation that arises from past events but is not recognised because either:

- it is not probable that an outflow of resource embodying economic benefits will be required to settle the obligation or
- the amount of the obligation cannot be measured with sufficient reliability

p) Critical accounting judgements and estimates

The preparation of these Accounts requires management to make judgements and estimates that affect the amounts reported for assets and liabilities as at the date of the Statement of Financial Position, and the amounts reported as income and expenditure during the year. Owing to the nature of these estimates, the actual outcome may differ from these estimates. Areas which the DVSA believes require the most critical accounting judgments and estimates are:

- Provision for liabilities and charges
- Impairment
- Asset valuation and asset lives
- Apportionment of costs to statutory activities

Provision for liabilities and charges

Provisions are based on realistic and prudent estimates of future expenditure required to settle present legal or constructive obligations that exist in respect of cases such as lease obligations, restructuring of activities, contractual obligations and personal claims against the agency. Estimates are calculated using, for example, past experience and specialist advice; they are then reviewed regularly and adjusted to reflect the latest estimate of the liability. Where settlements are anticipated to be after more than one year, the future estimated cash flows are discounted to present values using the appropriate discount rate set by HM Treasury.

Impairment

A review of intangible assets under construction is undertaken annually to ensure that the assets are carried at no more than their recoverable amount – the amount to be recovered through use or sale of the asset. This exercise firstly involves a review of the capital expenditure for costs that are judged not to contribute sufficiently to the final asset and secondly a general review of the costs versus benefits of the asset. The review process relies on uncertain estimates of asset costs and benefits, as well as assumptions on technological obsolescence and future political or regulatory developments. These assumptions are regularly considered by management and costs and benefits for capital projects are scrutinised regularly by DVSA's Investment and Change Committee and by DfT where applicable. Digital projects also follow Cabinet Office governance arrangements aimed at reducing the risk of obsolescence.

The results of the impairment review conducted during the year are summarised in notes 6 and 8.

Asset valuations

Management uses the advice of independent professional advisers to value the property estate in line with the policy stated in note 1(f) above. Approximately 48% of the net book value of land and buildings relates to specialist assets which are valued at depreciated replacement cost (DRC). DRC is arrived at by determining a gross replacement cost for each asset which is then adjusted to reflect the remaining service potential of the asset. This adjusted gross replacement cost is the DRC. The determination of the gross replacement cost follows guidelines issued by RICS and requires certain assumptions, including the assessment of the costs of constructing a modern equivalent asset. The adjustment to DRC reflects management's best estimate of the future useful life of the asset.

Other tangible assets are revalued using indices. Management confirms annually that the indices used remain appropriate.

Asset lives

The useful lives and residual values of assets are determined by management at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on experience with assets of a similar nature as well as consideration of future events which may impact their lives.

Apportionment of costs to statutory activities

Note 2 to the Accounts shows the income and expenditure relating to DVSA's activities.

A number of assumptions are used in applying expenditure to income generating activities. Costs are apportioned based on management's best estimate of the driver of those costs, for example throughput of tests, length of tests and staff employed.

q) Graduated fixed penalties deposit collection

DVSA collects fixed penalties and bus fines on behalf of HM Treasury for vehicle related offences and bus services operator offences. Amounts collected are paid to HM Treasury. The transactions related to this activity do not form part of DVSA's Accounts. A memorandum of activity can be found in note 21 and is prepared in accordance with the accounting policies used by DVSA.

Note 2 – Income and net income / (expenditure) on activities

In the following table, financial performance is analysed by activity. The table also includes a disaggregation of revenue by each type of activity.

	2022-23					2021-22				
	Income			Expenditure		Income			Expenditure	
	Customer Contracts	Other	Total		Net income/ (expenditure)	Customer Contracts	Other	Total		Net income/ (expenditure)
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Activities funded by fees										
Driver services	235,722	335	**236,057**	(264,072)	**(28,015)**	217,414	368	**217,782**	(239,864)	**(22,082)**
Vehicle services	81,286	3,494	**84,780**	(91,480)	**(6,700)**	78,805	3,579	**82,384**	(78,444)	**3,940**
MOT service	69,787	25	**69,812**	(33,287)	**36,525**	67,717	53	**67,770**	(32,438)	**35,332**
Licensing services	12,732	15	**12,747**	(20,003)	**(7,256)**	13,380	19	**13,399**	(17,833)	**(4,434)**
Other services	2,904	560	**3,464**	(2,729)	**735**	2,721	921	**3,642**	(1,333)	**2,309**
	402,431	**4,429**	**406,860**	**(411,571)**	**(4,711)**	**380,037**	**4,940**	**384,977**	**(369,912)**	**15,065**
Activities not funded by fees				**(21,786)**	**(21,786)**				**(26,861)**	**(26,861)**
Total	**402,431**	**4,429**	**406,860**	**(433,357)**	**(26,497)**	**380,037**	**4,940**	**384,977**	**(396,773)**	**(11,796)**

DVSA is largely funded from fees charged for the delivery of its operational activities. Services which are not funded by fees (such as some enforcement activity) are funded centrally via DfT. These are shown as activities not funded by fees in the table above.

Income from customer contracts has increased by £22,394,000 from the previous year, following the lifting of suspensions on driver services operational activities during the first quarter of 2021-22 and increased throughput in 2022-23. Expenditure has increased with the additional operational activity, investments in the provision of services and lower gains arising on the sale and valuations of non-current assets compared to the prior year.

Driver services includes practical tests, theory tests and related standards, accreditation and compliance activities. Income has increased from the previous year following the lifting of testing suspensions during the first quarter of 2021-22 and increased throughput, in particular for car practical tests, in 2022-23. Expenditure has risen with additional testing related costs and reduced gains, compared to the prior year, on the sale and valuations of non-current assets.

Vehicle services includes heavy vehicle testing and compliance activities and these activities have moved from a net income position in 2021-22 to a net expenditure in 2022-23. Compared to the prior year, income has increased slightly, however this has been more than offset by additional expenditure on staff and equipment, lower gains arising on the sale and valuations of non-current assets and less activities being funded centrally.

Underlying performance of the MOT service has remained stable with the improvement in net income mainly being driven by increased income. The net income in this area offsets unplanned net expenditure in other service areas at agency level.

Licensing services income has remained similar to 2021-22 with the net expenditure increase being largely driven by additional costs as certain activities are no longer centrally funded.

Other services mainly comprise publications and training activities.

Note 3 – Staff costs

	Permanently employed staff £000	Others £000	2022-23 Total £000	2021-22 Total £000
Wages and salaries	153,161	5,331	158,492	149,762
Social security costs	16,329	-	16,329	14,720
Pension costs	35,988	-	35,988	35,141
Total costs	**205,478**	**5,331**	**210,809**	**199,623**
Less recoveries in respect of outward secondments	(85)	-	(85)	(73)
Less capitalised costs	(774)	-	(774)	(514)
Total net staff costs	**204,619**	**5,331**	**209,950**	**199,036**

Other staff costs consist of contractors and temporary staff. In addition to the costs in the above table, £593,000 (2021-22: £1,366,000) was spent on consultancy.

Note 4 – Other operating charges

	2022-23 £000	2021-22 £000
Outsourced theory test costs	46,712	45,004
Information Technology – running costs	36,756	38,792
Accommodation and equipment costs	32,342	30,567
Professional and contracted services	28,163	23,442
Travel and subsistence	10,383	7,248
Rentals under operating leases	6,085	5,597
Staff related costs	6,635	5,433
Information Technology – support to development programmes	2,976	4,560
Auditors' remuneration and expenses	115	110
Other	6,235	5,001
Total other operating charges	**176,402**	**165,754**

No non-audit services were provided by the auditor in 2022-23 or 2021-22.

Note 5 – Finance costs

	Note	2022-23 £000	2021-22 £000
Interest charges on IFRS 16 lease liabilities	12	8,511	8,355
Unwinding of discount on provisions	13	(236)	(102)
Total finance costs		**8,275**	**8,253**

Note 6 – Property, plant and equipment

2022-2023	Land	Buildings	IT Equipment	Plant and Machinery	Transport Equipment	Assets Under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation							
At 1 April 2022	54,874	119,952	24,739	5,422	14,376	3,545	222,908
Additions	-	22	3,223	-	4	4,177	7,426
Disposals	(3,295)	(10,567)	(2,150)	(581)	(382)	-	(16,975)
Reclassifications	(205)	276	368	690	1,102	(2,692)	(461)
Revaluations	3,469	7,626	812	339	873	-	13,119
At 31 March 2023	**54,843**	**117,309**	**26,992**	**5,870**	**15,973**	**5,030**	**226,017**
Depreciation							
At 1 April 2022	-	39,161	18,602	4,755	8,628	-	71,146
Charge for the year	-	6,270	3,234	275	2,339	-	12,118
Disposals	-	(8,041)	(2,146)	(573)	(332)	-	(11,092)
Reclassifications	-	(111)	-	110	(110)	-	(111)
Revaluations	-	-	638	298	515	-	1,451
At 31 March 2023	**-**	**37,279**	**20,328**	**4,865**	**11,040**	**-**	**73,512**
Carrying value							
At 1 April 2022	54,874	80,791	6,137	667	5,748	3,545	151,762
At 31 March 2023	**54,843**	**80,030**	**6,664**	**1,005**	**4,933**	**5,030**	**152,505**
Asset financing							
Owned assets	54,843	53,381	6,664	1,005	4,933	5,030	125,856
Enhancements to lease property	-	26,649	-	-	-	-	26,649
At 31 March 2023	**54,843**	**80,030**	**6,664**	**1,005**	**4,933**	**5,030**	**152,505**

Properties are valued in accordance with the policy outlined in note 1(f). Of the total net book value of land and buildings, 48% relates to specialist assets which are held at depreciated replacement cost, 25% relates to non-specialist assets which are held at existing use value, and 27% relates to surplus assets, which are held at market value.

Leasehold assets comprise buildings on leased land including multi-purpose test centres and goods vehicle testing stations, and capitalised expenditure for works on properties held under operating leases. The majority of the closing assets under construction balance relates to buildings.

Additions in 2022-23 include £580,000 (2021-22: £668,000) in relation to accrued capital expenditure.

The net book value of reclassifications includes £350,000 (2021-22: £1,301,000) for land and buildings transferred to assets held for sale.

2021-22	**Land**	**Buildings**	**IT Equipment**	**Plant and Machinery**	**Transport Equipment**	**Assets Under Construction**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Cost or valuation							
At 1 April 2021	40,682	167,369	20,622	4,984	13,268	6,430	253,355
Transfers to ROU	-	(56,515)	-	-	-	-	(56,515)
Additions	-	460	2,970	30	45	2,857	6,362
Disposals	-	-	(1,292)	-	(946)	-	(2,238)
Impairments	-	(742)	-	-	-	-	(742)
Reclassifications	(770)	801	2,545	22	1,719	(5,742)	(1,425)
Revaluations	14,962	8,579	(106)	386	290	-	24,111
At 31 March 2022	**54,874**	**119,952**	**24,739**	**5,422**	**14,376**	**3,545**	**222,908**
Depreciation							
At 1 April 2021	-	43,043	17,508	4,235	7,441	-	72,227
Transfers to ROU	-	(9,590)	-	-	-	-	(9,590)
Charge for the year	-	5,802	2,455	174	1,977	-	10,408
Disposals	-	-	(1,292)	-	(946)	-	(2,238)
Reclassifications	-	(94)	-	-	-	-	(94)
Revaluations	-	-	(69)	346	156	-	433
At 31 March 2022	**-**	**39,161**	**18,602**	**4,755**	**8,628**	**-**	**71,146**
Carrying value							
At 1 April 2021	40,682	124,326	3,114	749	5,827	6,430	181,128
At 31 March 2022	**54,874**	**80,791**	**6,137**	**667**	**5,748**	**3,545**	**151,762**
Asset financing							
Owned assets	54,874	55,421	6,137	667	5,748	3,545	126,392
Enhancements to lease property	-	25,370	-	-	-	-	25,370
At 31 March 2022	**54,874**	**80,791**	**6,137**	**667**	**5,748**	**3,545**	**151,762**

Depreciation, amortisation, impairment and profit / loss on asset disposal

	Note	2022-23 £000	2021-22 £000
Depreciation of property, plant and equipment	6	12,118	10,408
Amortisation of intangible assets	8	17,765	14,805
Depreciation of right of use assets	7	9,206	8,609
(Profit) on disposal of assets		(3,163)	(7,407)
Capital grant in kind		2,450	-
Net (write back) / impairment of non-current assets	6&8	350	(3,901)
Net impairment of IFRS16	7	3,138	1,233
Revaluation of property, plant and equipment not taken to the revaluation reserve	6	(3,116)	-
Total		**38,748**	**23,747**

The capital grant in kind relates to the transfer of DVSA's headquarters property in Bristol to the Government Property Agency on 1 April 2022.

Revaluations and impairments

The overall result of revaluations and impairments of assets (including intangible assets and assets held for sale) in the Statement of Comprehensive Net Expenditure (SoCNE) and on taxpayers' equity (other comprehensive net income) is:

	(Charged) / Credited to:				Total	
	SoCNE		Other comprehensive net income			
	2022-23 £000	2021-22 £000	2022-23 £000	2021-22 £000	2022-23 £000	2021-22 £000
Revaluations	3,116	-	8,861	24,318	11,977	24,318
Impairments	(350)	3,901	-	(4,993)	(350)	(1,092)
Total	**2,766**	**3,901**	**8,861**	**19,325**	**11,627**	**23,226**

Proceeds of disposal of property, plant and equipment

	2022-23 £000	2021-22 £000
Cash receipts, including those from assets held for sale	**7,446**	**14,267**

Proceeds also include the sale of assets held for sale (note 9) with a net book value of £850,000 (2021-22: £6,860,000). Proceeds above or below the book value are recognised as profits or losses on disposal.

Note 7 – Right of use assets

2022-23	Land & Buildings £000	Vehicles £000	Total £000
Cost or valuation			
At 1 April 2022	106,206	4,879	111,085
Additions	8,522	3,532	12,054
De-recognition	(1,437)	(87)	(1,524)
Impairments	(3,138)	-	(3,138)
Revaluations	260	-	260
Remeasurement	2,236	-	2,236
At 31 March 2023	**112,649**	**8,324**	**120,973**
Depreciation			
At 1 April 2022	7,099	1,510	8,609
Charge for the year	6,763	2,443	9,206
De-recognition	(1,419)	(87)	(1,506)
At 31 March 2023	**12,443**	**3,866**	**16,309**
Carrying value			
At 1 April 2022	99,107	3,369	102,476
At 31 March 2023	**100,206**	**4,458**	**104,664**

Right-of-use assets are measured using the fair value model. DVSA considers the cost model to be a reasonable proxy for this, except for leases of land and property without regular rent reviews and leases for land only.

2021-22	Land & Buildings £000	Vehicles £000	Total £000
Cost or valuation			
At 1 April 2021	88,105	3,085	91,190
Additions	1,039	1,794	2,833
Impairments	(1,233)	-	(1,233)
Revaluations – on inception	12,728	-	12,728
Revaluations – in year	5,567		5,567
At 31 March 2022	**106,206**	**4,879**	**111,085**

Depreciation			
At 1 April 2021	-	-	-
Charge for the year	7,099	1,510	8,609
At 31 March 2022	**7,099**	**1,510**	**8,609**
Carrying value			
At 1 April 2021	88,105	3,085	91,190
At 31 March 2022	**99,107**	**3,369**	**102,476**

Note 8 – Intangible assets

2022-23	**IT Software £000**	**Contractual Arrangements £000**	**Assets Under Construction £000**	**Total £000**
Cost or valuation				
At 1 April 2022	192,210	17,582	11,443	221,235
Additions	1,718	-	22,667	24,385
Disposal	(2,746)	-	-	(2,746)
Impairments	(350)	-	-	(350)
Reclassifications	1,153	138	(1,291)	-
At 31 March 2023	**191,985**	**17,720**	**32,819**	**242,524**
Amortisation				
At 1 April 2022	103,304	2,051	-	105,355
Charge for the year	14,217	3,548	-	17,765
Disposal	(2,746)	-	-	(2,746)
At 31 March 2023	**114,775**	**5,599**	**-**	**120,374**
Carrying value				
At 1 April 2022	88,906	15,531	11,443	115,880
At 31 March 2023	**77,210**	**12,121**	**32,819**	**122,150**

All intangible assets are owned. The closing assets under construction balance relates to investment in software development.

Additions in 2022-23 include £2,903,000 (2021-22: £4,504,000) in relation to accrued capital expenditure.

DVSA conducts an annual impairment review of intangible assets under construction to ensure that their carrying value is no more than their recoverable amount. Impairments of £350,000 were identified during the year (2021-22: £350,000). This relates to parts of the MOT system which have been upgraded.

Analysis of Intangible assets	**Remaining Life At 31 March 2023 £000**	**Net Book Value At 31 March 2023 £000**
MOT system	6 years	30,250
Vehicle Operator Licensing System	3 years	3,831
Driver practical test system	7 years	5,356
HGV testing system	7 years	5,955
Theory test service	9 years	23,140
Contractual arrangements	4 years	12,121
Other in use systems	Up to 10 years	8,678
Assets under construction:		
HGV testing system	n/a	20,033
Other	n/a	12,786
Total		**122,150**

2021-22	**IT Software £000**	**Contractual Arrangements £000**	**Assets Under Construction £000**	**Total £000**
Cost or valuation				
At 1 April 2021	162,248	-	26,097	188,345
Additions	10,928	15,476	6,807	33,211
Impairments	-	-	(350)	(350)
Reclassifications	19,034	2,106	(21,111)	29
At 31 March 2022	**192,210**	**17,582**	**11,443**	**221,235**
Amortisation				
At 1 April 2021	90,550	-	-	90,550
Charge for the year	12,754	2,051	-	14,805
At 31 March 2022	**103,304**	**2,051**	**-**	**105,355**
Carrying value				
At 1 April 2021	71,698	-	26,097	97,795
At 31 March 2022	**88,906**	**15,531**	**11,443**	**115,880**

Assets under construction reclassifications relate mainly to software for the new theory test service which was brought into use during the year.

Analysis of Intangible assets	**Remaining Life At 31 March 2022 £000**	**Net Book Value At 31 March 2022 £000**
MOT system	7 years	35,307
Vehicle Operator Licensing System	4 years	5,508
Driver practical test system	8 years	6,121
HGV testing system	8 years	6,806
Theory test service	10 years	25,850
Contractual arrangements	5 years	15,531
Other in use systems	Up to 10 years	9,314
Assets under construction:		
Other	n/a	11,443
Total		**115,880**

Note 9 – Assets held for sale

	2022-23 £000	**2021-22 £000**
At 1 April 2022	4,733	9,652
Disposals of assets	(850)	(6,860)
Transferred in year as assets held for sale	350	1,301
Revaluations	309	640
At 31 March 2023	**4,542**	**4,733**

Note 10 – Trade and other receivables

	31 March 2023 £000	**31 March 2022 £000**
Trade receivables	861	1,064
Recoverable VAT	5,875	4,705
Prepayments and accrued income	9,952	11,514
Other receivables	2,303	1,086
Total	**18,991**	**18,369**

Total trade and other receivables include £3,401,000 (2021-22: £5,093,000) of receivables relating to contracts with customers.

Other receivables include £2,288,000 (2021-22: £716,000) which is due after more than one year.

The increase in total trade and other receivables excluding non-cash movements during the year is £632,000 (2021-22: £3,390,000 increase).

Note 11 – Trade and other payables

	31 March 2023	31 March 2022
Amounts falling due within one year	**£000**	**£000**
Trade payables	1,641	6,426
Other payables	7,757	7,643
Accruals	36,058	31,923
Deferred income – contracts with customers	66,279	68,026
Total	**111,735**	**114,018**

	31 March 2023	31 March 2022
Amounts falling due after more than one year	**£000**	**£000**
Deferred income – contracts with customers	13,983	14,016
Total	**13,983**	**14,016**

Deferred income relating to contracts with customers primarily relates to pre-booked driver and vehicle tests as well as prepaid operator licence and approved driving instructor registration fees.

Deferred income – contracts with customers	**£000**
At 1 April 2022	82,042
Revenue recognised that was included in the deferred income balance at the beginning of the period	(68,026)
Increases due to cash received, excluding amounts recognised as revenue during the period	66,246
At 31 March 2023	**80,262**

The decrease in trade and other payables during the year is £1,494,000 (2021-22: £18,302,000 increase).

Note 12 – Lease liabilities

2022-23	**Land & Buildings £000**	**Vehicles £000**	**Total £000**
Lease liability			
At 1 April 2022	98,106	2,341	100,447
Additions	7,645	3,532	11,177
Interest accrued in year	8,467	44	8,511
Payments	(13,176)	(2,317)	(15,493)
Remeasurement	2,218	-	2,218
At 31 March 2023	**103,260**	**3,600**	**106,860**
Current portion	11,474	2,537	14,011
Non-current portion	91,786	1,063	92,849
At 31 March 2023	**103,260**	**3,600**	**106,860**
Obligations under leases			
Not later than one year	13,074	2,571	15,645
Later than one year and not later than five years	46,240	1,059	47,299
Later than five years and not later than ten years	49,866	-	49,866
Later than ten years and not later than one hundred years	156,041	-	156,041
Later than one hundred years	9,936	-	9,936
	275,157	3,630	278,787
Less interest	(171,897)	(30)	(171,927)
At 31 March 2023	**103,260**	**3,600**	**106,860**
Lease Charges within SoCNE			
Expense relating to short term leases	2,584	2,046	4,630
Expense relating to VAT	2,373	292	2,665
Total	**4,957**	**2,338**	**7,295**
Cash outflow for Leases			
Cash outflow – interest	(8,470)	(37)	(8,507)
Cash outflow – capital element	(4,707)	(2,279)	(6,986)
Total cash outflow for leases	**(13,177)**	**(2,316)**	**(15,493)**

2021-22	**Land & Buildings £000**	**Vehicles £000**	**Total £000**
Lease liability			
At 1 April 2021	102,067	2,575	104,642
Additions	1,039	1,794	2,833
Interest accrued in year	8,332	23	8,355
Payments	(13,332)	(2,051)	(15,383)
At 31 March 2022	**98,106**	**2,341**	**100,447**
Current portion	11,850	1,707	13,557
Non-current portion	86,256	634	86,890
At 31 March 2022	**98,106**	**2,341**	**100,447**
Obligations under leases			
Not later than one year	12,511	1,720	14,231
Later than one year and not later than five years	44,428	640	45,068
Later than five years and not later than ten years	48,195	-	48,195
Later than ten years and not later than one hundred years	154,933	-	154,933
Later than one hundred years	9,849	-	9,849
	269,916	2,360	272,276
Less interest	(171,810)	(19)	(171,829)
At 31 March 2022	**98,106**	**2,341**	**100,447**
Lease Charges within SoCNE			
Expense relating to short term leases	2,067	808	2,875
Expense relating to VAT	2,590	161	2,751
Total	**4,657**	**969**	**5,626**
Cash outflow for Leases			
Cash outflow – interest	(8,252)	(14)	(8,266)
Cash outflow – capital element	(5,080)	(2,037)	(7,117)
Total cash outflow for leases	**(13,332)**	**(2,051)**	**(15,383)**

Note 13 – Provisions

2022-23	**Property Obligations £000**	**Dilapid-ations £000**	**Restruct-uring £000**	**Legal and Other £000**	**Total £000**
At 1 April 2022	1,579	3,263	963	2,215	8,020
Provided in the year	164	219	-	652	1,035
Provisions no longer required	-	(1,761)	-	(797)	(2,558)
Provision utilised in year	(140)	(135)	-	(482)	(757)
Unwinding of discount (note 5)	(177)	(4)	-	(55)	(236)
At 31 March 2023	**1,426**	**1,582**	**963**	**1,533**	**5,504**
Of which:					
More than five years	722	-	160	137	1,019
Between one and five years	556	-	359	719	1,634
Non-current	1,278	-	519	856	2,653
Current / within one year	148	1,582	444	677	2,851
At 31 March 2023	**1,426**	**1,582**	**963**	**1,533**	**5,504**

2021-22	**Property Obligations £000**	**Dilapid-ations £000**	**Restruct-uring £000**	**Legal and Other £000**	**Total £000**
At 1 April 2021	3,104	3,086	766	1,931	8,887
Provided in the year	201	283	240	803	1,527
Provisions no longer required	-	(13)	-	(424)	(437)
Provision utilised in year	(141)	(7)	(43)	(91)	(282)
Reclassifications	(1,573)	-	-	-	(1,573)
Unwinding of discount (note 5)	(12)	(86)	-	(4)	(102)
At 31 March 2022	**1,579**	**3,263**	**963**	**2,215**	**8,020**
Of which:					
More than five years	833	-	-	344	1,177
Between one and five years	601	121	483	767	1,972
Non-current	1,434	121	483	1,111	3,149
Current / within one year	145	3,142	480	1,104	4,871
At 31 March 2022	**1,579**	**3,263**	**963**	**2,215**	**8,020**

Reclassifications in 2021-22 relate to onerous lease provisions which are included in right-of-use asset values following adoption of IFRS 16.

Property Obligations

This provision covers the future expected costs for properties that are considered surplus and where there is no expectation to sub-let.

Dilapidations

This provision covers the likely costs of rectifying dilapidations under lease terms. In making these assessments, the agency has applied a risk-based approach on a property-by-property basis.

Restructuring

This provision covers the costs of a restructuring of DVSA's vehicle testing and enforcement activities announced during 2019-20.

Legal and Other

This provision covers compensation and other legal claims against the agency that are expected to materialise following due process, as well as the costs of decommissioning equipment as required under contract terms. It also includes ongoing injury benefit payments to individuals who have suffered a qualifying injury which has resulted in an impairment to their earning capacity in the course of their official duty or incidental to duty whilst employed by the agency.

Note 14 – Capital commitments

	31 March 2023 £000	31 March 2022 £000
Contracted:		
Property, plant and equipment	475	2,075
Intangible assets	4,228	5,862
Total capital commitments	**4,703**	**7,937**

Note 15 – Cash and cash equivalents

	31 March 2023 £000	31 March 2022 £000
Balance at 1 April	100,492	104,251
Net decrease in cash and cash equivalent balances	(1,470)	(3,759)
Balance at 31 March	**99,022**	**100,492**
The following balances at 31 March were held at		
Government Banking Services	94,797	98,532
Commercial banks and cash in hand	4,225	1,960
Balance at 31 March	**99,022**	**100,492**

Analysis of non-cash transactions for the Statement of Cash Flows:

Adjustments for non-cash transactions	Note	2022-23	2021-22
		£000	£000
Depreciation, amortisation, impairment, and profit/loss on asset disposal	6	38,748	23,747
Provision provided in year/(written back)	13	(1,523)	1,090
Auditors' remuneration	4	115	110
		37,340	24,947

Note 16 – Financial risk management

Fair Values – The carrying values of financial assets and liabilities at 31 March 2023 are considered to represent fair value. This is due to the short-term nature of the financial instruments held and carrying values of lease liabilities being based on the present value of future lease payments.

Credit Risk – Credit risk is the risk of suffering financial loss, should any customers or counterparties fail to fulfil their contractual obligations. Some customers and counterparties are other public sector organisations. These organisations present no credit risk.

For customers and counterparties that are not public sector organisations, existing policies and procedures ensure that this risk is minimised as far as possible. The vast majority of customers pay in advance of a service being supplied.

The carrying amount of the financial assets £118,013,000 (31 March 2022: £118,861,000) represents the maximum credit exposure.

Liquidity Risk – Future financial liabilities are ordinarily funded from cash inflow from future operating activities. Exposure to liquidity risk is minimal as it is expected that any cash shortfalls would be met by funding from HM Treasury via DfT.

Interest Rate Risk – There is no interest rate risk as the agency holds no interest-bearing loans.

Foreign Exchange Rate Risk – The agency has limited exposure to foreign exchange rates. Where there is exposure to foreign exchange rates, the risk is tolerated.

Note 17 – Contingent liabilities

There are no contingent liabilities (2021-22: none).

Note 18 – Related party transactions

DVSA is an executive agency of the Department for Transport (DfT). DfT is regarded as a related party. During the year, DVSA has had a number of material transactions with DfT, and with other entities for which DfT is regarded as the parent Department, including the Driver and Vehicle Licensing Agency (DVLA). In addition, the agency has had various material transactions with other government departments and other central government bodies.

No Board member, key manager or other related party has undertaken any material transactions with the agency during the year (2021-22: none).

Note 19 – Events after the reporting period

There have been no significant events between the 31 March 2023 and the date of authorising these financial statements.

Note 20 – Authorisation of Accounts

These Accounts are laid before the Houses of Parliament by the Secretary of State for Transport. IAS 10 requires DVSA to disclose the date on which the Accounts are authorised for issue. This is the date that the Comptroller and Auditor General signs the certificate.

Note 21 – Graduated fixed penalties and deposits

Fixed penalties are imposed for a wide range of road traffic offences. DVSA collects fixed penalty fines on behalf of HM Treasury.

In England and Wales fixed penalties are issued under section 54 of the Road Traffic Offenders Act 1988. The legislation enables DVSA to issue fixed penalties to non-UK resident and UK resident offenders and to request a financial penalty deposit from any offender who does not have a UK address. Such deposit payments may be either in respect of a fixed penalty or as a form of surety in respect of a fine where an offence is to be prosecuted in court.

DVSA also collects bus penalties ordered by a Traffic Commissioner against an operator of local bus services under Section 155 of the Transport Act 2000.

Penalties primarily relate to driver’s hours offences, mechanical defects, overloading of vehicles and infringements relating to payment of the HGV road user levy.

This note is produced under International Financial Reporting Standards (IFRS) on an accruals basis and gives a true and fair view of the state of affairs as at 31 March 2023 relating to the collection and allocation of taxes, licence fees, fines and penalties for the year then ended. The transactions do not form part of DVSA’s Accounts, instead the memorandum below shows the substance of activity.

Cash collections	2022-23 £000	2021-22 £000
Revenue for offences in:		
Fixed penalties	4,153	4,613
Net revenue for the Consolidated Fund	**4,153**	**4,613**

Balance held on behalf of HM Treasury	31 March 2023 £000	31 March 2022 £000
Current Assets:		
Debtors	17	22
Cash and cash equivalents held in trust	1,206	1,354
Total Assets	**1,223**	**1,376**
Current liabilities:		
Court deposits	(146)	(125)
Unallocated receipts and refunds due	4	(9)
Total Liabilities	**(142)**	**(134)**
Balance due to Consolidated Fund	**1,081**	**1,242**

Cash balance movement	2022-23 £000	2021-22 £000
Net revenue for the Consolidated Fund	4,153	4,613
Decrease / (increase) in debtors	5	(8)
Increase in liabilities	8	31
Cash paid to the Consolidated Fund	(4,314)	(5,040)
Net (decrease) in cash and cash equivalents	**(148)**	**(404)**
Cash and cash equivalents at the beginning of the year	1,354	1,758
Cash and cash equivalents at the end of the year	**1,206**	**1,354**

Glossary

ATF	Authorised Testing Facility
CETV	Cash Equivalent Transfer Value
COVID-19	Coronavirus (COVID-19)
CPC	Certificate of Professional Competence
CSC	Customer Service Centre
DfT	Department for Transport
DRC	Depreciated Replacement Cost
DVLA	Driver and Vehicle Licensing Agency
DVSA	Driver and Vehicle Standards Agency
EU	European Union
EUV	Existing Use Value
FReM	Financial Reporting Manual
FTE	Full Time Equivalent
FYE	Full Year Equivalent
GGC	Greening Government Commitments
GGR	Greenhouse Gas Removal
GIAA	Government Internal Audit Agency
GVTS	Goods Vehicles Testing Station
HGV	Heavy Goods Vehicle
IAS	International Accounting Standard
ICO	Information Commissioner's Office
IFRS	International Financial Reporting Standards
LPG	Liquid Petroleum Gas
MOT	Annual statutory test for private vehicles
MPTC	Multi-Purpose Test Centre
MSP	Management of Successful Programmes
MV	Market Value
NAO	National Audit Office
PCM	Phase Change Material
PCSPS	Principal Civil Service Pension Scheme
PSV	Public Service Vehicle
SCS	Senior Civil Servant
SIRO	Senior Information Risk Owner
SoCNE	Statement of Comprehensive Net Expenditure
SoCTE	Statement of Changes in Taxpayers' Equity
ULEV	Ultra Low Emission Vehicles
VAT	Value Added Tax

Driver & Vehicle Standards Agency

DVSA
Berkeley House
Croydon Street
Bristol
BS5 0DA

www.gov.uk/dvsa

E02901135
978-1-5286-4070-1

Keeping **Britain** moving, **safely** and **sustainably**