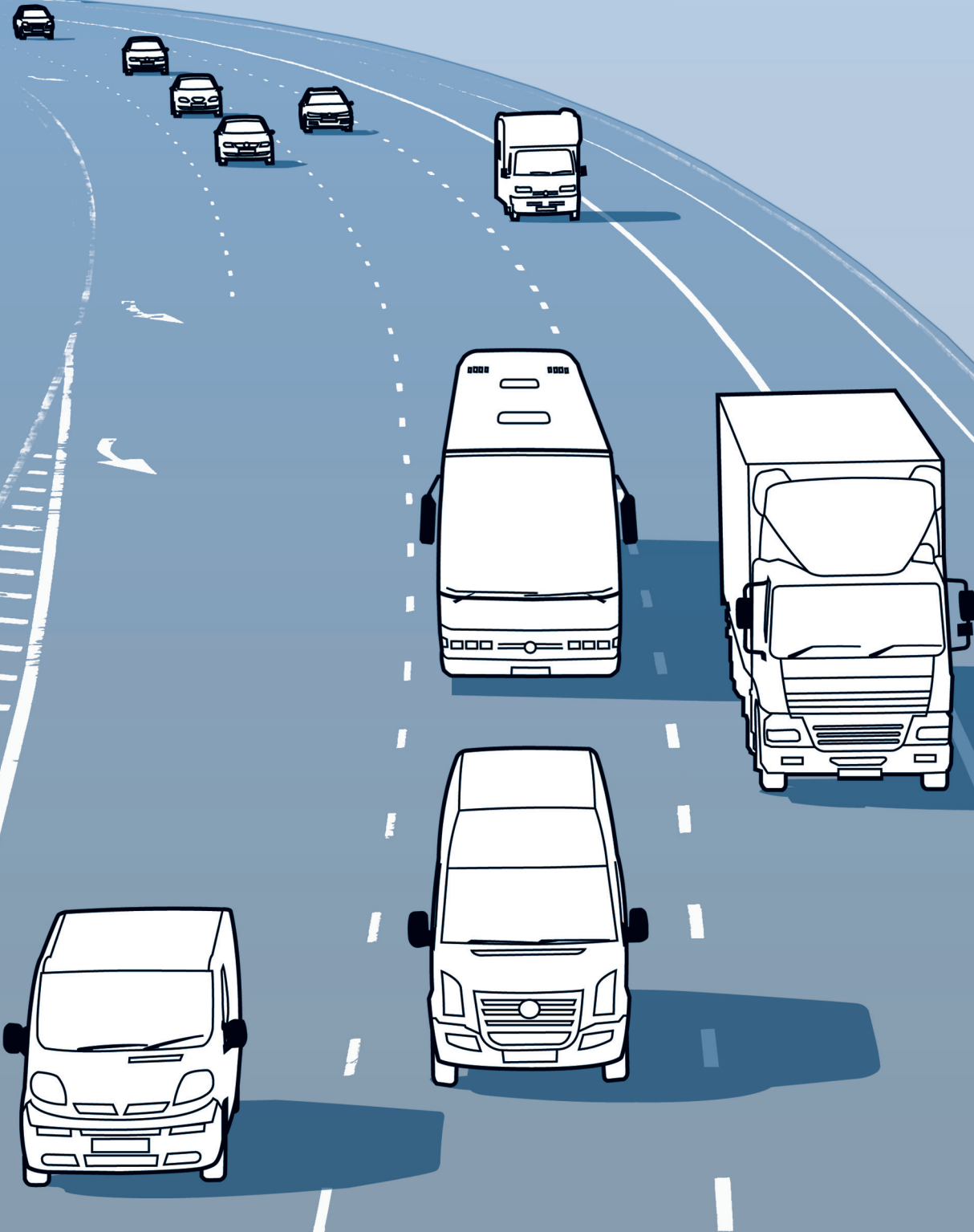


Business Plan

2009/10





**'Saving lives, safer roads, cutting crime,
protecting the environment'**



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FOREWORD BY THE GROUP DIRECTOR GENERAL



Welcome to the 2009/10 business plan for the Vehicle and Operator Services Agency (VOSA), part of the Department for Transport's Motoring and Freight Services Group.

The Group brings together five of the Department's executive agencies engaged in motoring-related activity and three HQ teams with a core focus to ensure our roads are used by qualified drivers in roadworthy vehicles.

Our Group aims:

- to be a leader in modern and efficient public services;
- to promote road safety, an effective logistics industry, and a cleaner environment; and
- to work effectively with our partners in developing policies and delivering quality services to our customers.

As a Group we seek to bring an effective corporate focus to the many separate activities involved in personal and commercial driver testing and training, vehicle certification and licensing, operator licensing, the Government's wider road safety strategy, and the secure and efficient handling of the data those activities generate. All of that activity is aimed at contributing to the achievement of the Department's five strategic objectives:

- to support national economic competitiveness and growth, by delivering reliable and efficient transport networks;
- to reduce transport's emissions of carbon dioxide and other greenhouse gases, with the desired outcome of avoiding dangerous climate change;
- to contribute to better safety, security and health and longer life-expectancy through reducing the risk of death, injury or illness arising from transport, and promoting travel modes that are beneficial to health;
- to promote greater equality of opportunity for all citizens, with the desired outcome of achieving a fairer society; and
- to improve quality of life for transport users and non-transport users, and to promote a healthy natural environment.

This business plan sets out the contribution which VOSA plans to make, in particular in working with its partners to deliver quality services to its customers.

A handwritten signature in blue ink that reads "Steve Gooding". The signature is written in a cursive, flowing style.

Steve Gooding
Group Director General



This is the first year of a three year plan to transform the way we carry out our testing operations to offer a service more tailored to the customer's needs. Our ambitious plans are to achieve modernised, efficient and cost effective customer service, whilst delivering value for money for the Government. The aim is to move to a business model in which the majority of our tests are carried out at Authorised Testing Facilities (ATFs) on premises owned by private sector businesses.

We are continuing to improve the effectiveness of our enforcement activities, strengthening our role in preventative enforcement while targeting the most persistent offenders or those most likely to offend. We will continue to work closely with a number of Government bodies and are exploring options for optimising the use of information and technology to increase levels of detection.

This spring heralds the long awaited introduction of fixed penalties and deposits, and the immobilisation of the vehicles of those who do not pay. At the same time we are focusing on "hotspots" on the national network with high levels of incidents with our roadside teams working around the clock, seven days a week.

The current economic climate makes it especially difficult for both VOSA and our customers to plan for 2009/10. In particular, reductions in licensing and testing volumes will impact on our income received, although it is difficult to gauge the extent of this. This lack of certainty means that we will need to closely scrutinise our financial plan and associated business plan commitments through the year while delivering customer services as efficiently as possible.

We face a challenging and uncertain time over the next year and beyond, but with those challenges come opportunities both for our staff and for the industry. We are confident in our ability to deliver, and underpinning everything that we do remains our overall aim to save lives and make our roads safer.

A handwritten signature in blue ink that reads "A Peoples". The signature is fluid and cursive, written over a light blue circular stamp.

Alastair Peoples
Acting Chief Executive

We are an agency of the Department for Transport's Motoring and Freight Services Group. The Group supports DfT objectives through the following strategic outcomes:

- Transforming customer service
- Improving road safety
- Better transport networks
- Reduced impact on climate change and the environment
- Contributing to wider government objectives
- Improved efficiency and capability

The table on pages 8 and 9 shows the relationship between our Secretary of State Targets, Motoring and Freight Services Group strategic outcomes and DfT objectives. At the back of this plan we also show how the more detailed Motoring and Freight Services Group's end states will contribute to the delivery of the Group strategic outcomes and DfT objectives.

The main chapters of this Business Plan correspond to the Motoring and Freight Services Group's strategic outcomes and highlight activities that will contribute to DfT and Agency priorities for 2009/10 and beyond. Where relevant we have included related risks and their mitigation, as well as associated Sustainable Development principles (indicated by ✓).



HOW OUR TARGETS RELATE TO GOVERNMENT PRIORITIES

Department for Transport Strategic Objectives	Promote greater equality of opportunity for all citizens, with the desired outcome of achieving a fairer society		Contribute to better safety, security and health and longer life expectancy by reducing the risk of death, injury or illness arising from transport and by promoting travel modes that are beneficial to health			
MFS Strategic Outcomes	Transforming Customer Service		Improving Road Safety			
Secretary of State Key Targets	Deliver the first year milestones as identified in the commercial vehicle testing transformation delivery plan	Deliver the eight customer service promises as set out in the VOSA Business Plan	Increase the number of dangerous vehicles and drivers taken off the road compared with 2007/08 baseline	Deliver non-GB Operator Compliance Risk Score capability to support roadside enforcement	Improve the quality and consistency of vehicle testing through a reduction in the number of garages still in the highest risk band	
VOSA Key Measures	<ul style="list-style-type: none"> - Closure of 4 HGVTs; - decommissioning of 10 Class A test lanes; and - increase the volume of tests at non-VOSA sites to 33% by 31 March 2010 	By 31 March 2010 achieved Customer Service Excellence accreditation for the following teams: Operator Licensing, Contact Centre and Testing & Support Services	75%	March 2010	15%	

<p>Support national economic competitiveness and growth, by delivering reliable and efficient transport networks</p>	<p>Reduce transport's emissions of carbon dioxide and other greenhouse gases, with the desired outcome of tackling climate change</p>	<p>Improve quality of life for transport users and non-transport users, and to promote a healthy natural environment</p>
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<p>Better Transport Networks</p>	<p>Improved efficiency and capability</p>	<p>Reduced impact on climate change and the environment</p>	<p>Contributing to wider government objectives</p>
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<p>Reduce the burden on commercial operations by delivering programme included within Department's Simplification Plan</p>	<p>Deliver financial performance in line with the financial plan including achievement of previously agreed Comprehensive Spending Review (CSR) savings in 2009/10</p>
--	--



<ul style="list-style-type: none"> - Self-certification of minor test fail items - Fees Simplification Phase II - Fixed Penalties - Powers to Stop (Scotland) 	<p>Deliver Financial Plan</p>
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We will offer real choice in how and where customers transact with us, we will reduce the burden of red tape, and we will provide high quality services delivered consistently and at the best cost possible.



DRIVING UP STANDARDS AND DRIVING DOWN COSTS

Testing Transformation

Over the last 12 months we have undertaken an extensive review of how and where we carry out our testing operations. As part of this we have listened to customers who have told us they want better testing facilities that are easier to use and closer to them, and available at hours to meet their business needs. Consequently we will improve customer choice by increasing testing at non-VOSA authorised testing facilities (ATFs).

Secretary of State Target on Customer Service:

- Deliver the first year milestones as identified in the commercial vehicle testing transformation delivery plan

Key Measures:

- Closure of 4 HGVTs;
- Decommissioning of 10 Class A test lanes; and
- Increase the volume of tests at non-VOSA sites to 33% by 31 March 2010

✓ Achieving a sustainable economy ✓ Living within environmental limits

We plan to increase the number of tests carried out at ATFs. This strategy will better meet the industry's needs through reducing indirect costs such as "downtime" and offering greater operational flexibility.

In 2009/10 we will deliver the first phase of our Testing Transformation Programme by:

- Providing conditions which will enable industry to open up test premises;
- Reviewing our existing estate and removing over-capacity;
- Extending flexible and shift working patterns to enable longer opening hours at ATFs and VOSA Test Stations; and
- Halving the supplement currently charged when HGVs or PSVs are tested at non VOSA premises as a first step in incentivising the use of ATFs.

Risk	Mitigating Action
Industry do not invest in growing an ATF network	Develop robust marketing strategy and work in partnership with industry to ensure the arrangements for investing in and operating an ATF(s) are agreed.



LISTENING TO OUR CUSTOMERS TO INFORM CONTINUOUS IMPROVEMENT



Secretary of State Target on Customer Service:

- Deliver the eight customer service promises as set out in the VOSA Business Plan

Key Measure:

- By 31st March 2010 achieved Customer Service Excellence (CSE) accreditation for the following teams:
 - o Operator Licensing
 - o Contact Centre
 - o Testing & Support Services

Customer Satisfaction Surveys

	2006/07	2007/08	2008/09
Operators	81%	85%	91%
Drivers, Fitters, Presenters	92%	92%	94%
MOT customers	94%	97%	95%
MOT garages ¹		89%	96%

During 2008/09 we participated in the DfT review of customer expectations of service standards. As a result we have committed to eight customer promises to be applied across DfT, as set out overleaf. Appendix 2 shows the list of our Service Standards.

In 2009/10 we will:

- Achieve and maintain Customer Service Excellence (CSE) accreditation for Operator Licensing, Contact Centre, Testing & Support Services teams;
- Undertake in-depth customer analysis to better understand and target services at key customer groups;
- Work in partnership with customers to ensure we are delivering against our shared Service Level Agreements; and
- Agree a programme of educational material with the trade / industry to reduce test fail rates.

Risk	Mitigating Action
Failure to satisfy customers	Manage resources to meet peak demand, maintain ongoing relationships with trade associations and communicate change.

¹ 2007/08 was the first year that MOT garages were part of the total key measure

Our Customer Promises

"We will provide a full response to enquiries quickly"

"We will provide a full response to complaints quickly"

"We will respond to telephone calls promptly and endeavour to resolve all enquiries at the first call"

"We will use reliable and accurate methods to measure customer satisfaction on a regular basis"

"We provide our customers with information that is clear, accurate and complete. If we do not have all the information required, we will advise customers when they will receive the information they requested"

"Our staff are polite and friendly to customers at all times and understand our customer needs"

"We make information about the full range of services we provide available to our customers and potential customers, including how and when people can contact us, how our services are run and who is in charge"

"We make particular efforts to identify hard-to-reach and disadvantaged groups and individuals and have developed our services in response to their specific need. We have policies and procedures that support the right of all customers to expect excellent levels of service"

“ LEADING THE WAY IN HIGHLY INNOVATIVE, EFFICIENT AND EFFECTIVE...SERVICE DELIVERY ”

We will improve the quality and consistency and increase the range of our e-services to enable more customers to obtain information and do their business transactions on-line. This will reduce red tape, enable faster and more consistent transactions and make it easier to be compliant.

We will deliver our part of DfT's contribution to the cross-Government Service Transformation Agreement performance measures. These are:

- To migrate more than 95% of websites to Directgov and Business Link by end March 2011; and
- To achieve a 50% reduction in avoidable contact by end March 2011.

Specifically in 2009/10 we will improve access to information and reduce the number of 'avoidable' calls by:

- Migrating VOSA's corporate web content on to DfT's corporate website by March 2010;
- Rolling out on-line applications for technical tests and specialised inspections;

- Enabling on-line applications for new operator licences and authorised MOT sites; and
- Offering tailored vehicle performance information on a commercial basis to interested parties.

We will work with large operators to encourage take-up of our new Electronic Bus Service Registration (EBSR) system. In conjunction with Transport Direct we will also work with Local Authorities to encourage them to act as agents for smaller operators.



There are other initiatives within the following chapters that provide additional services and benefits to customers.

GB Road Casualty Statistics

	2005	2006	2007	Reduction 2005-07
Killed in road accidents	3,201	3,172	2,946	8%
Killed or seriously injured	32,155	32,000	30,720	4%
All road casualties	271,017	258,100	247,780	9%

Vehicles involved in reported personal injury road accidents by type

	2005	2006	2007	Reduction 2005-07
Buses and Coaches	9,988	9,133	8,559	14%
LGVs	16,078	15,593	14,620	9%
HGVs	12,120	11,336	10,688	12%



INVESTING IN...TARGETED ENFORCEMENT



Through our High Risk Traffic Initiative (HRTI) we will continue to invest in technology, estates and more enforcement officers to drive a step change in targeting, leading to the number of dangerous vehicles and drivers taken off the road increasing by 75% by the end of 2009/10.

Secretary of State Target on Road Safety:

- Increase the number of dangerous vehicles and drivers taken off the road compared with 2007/08 baseline

Key Measure:

- 75%

✓ Ensuring a strong, healthy and just society

In 2007/08 VOSA removed 29,000 dangerous vehicles and drivers from the roads by issuing Category 1² and Drivers' Hours prohibitions. Over the last 3 years we have significantly increased prohibition rates for HGVs, as below.

HGV Prohibition Rates

	2005/06	2006/07	2007/08
Roadworthiness	27.6%	36.7%	40.9%
Overloading	14.1%	23.5%	30.3%
Drivers' Hours	11.5%	14.6%	19.1%

² Category 1: An immediate prohibition including an immediate brake, steering or tyre defect

We are investing an extra £24 million from Government funds into our three year High Risk Traffic Initiative (HRTI) which commenced in 2008/09. We have committed to:

- Open two new enforcement sites on the strategic road network with a high volume of high risk traffic;
- Deliver a significant increase in the number of HGV checks carried out; and
- Recruit additional enforcement staff and move to '24/7' enforcement checking at key sites.

By January 2009 we had:

- Invested £1.2m in new site acquisition, existing site works and improvements and £300k in additional enforcement cars;
- Recruited 114 additional enforcement staff;
- Carried out training of new front line staff;
- Established 9 shift working (24/7) teams;
- Issued over 33,000 Category 1 and Drivers' Hours prohibitions; and
- Worked in partnership with the Highways Agency to identify new strategic locations to target high risk vehicles.

In 2009/10 we will:

- Open two new sites on the A14 and M20, subject to planning permission; and
- Increase checks on HGVs by 60% and prohibitions by 75%.

Secretary of State Target on Road Safety:

- Deliver non-GB Operator Compliance Risk Score capability to support roadside enforcement

Key Measure:

- March 2010

✓ Ensuring a strong, healthy and just society

In 2009/10 we will strengthen our role in preventative enforcement by:

- Establishing a multilingual education package to inform drivers and operators of GB regulations.

In addition to this we will optimise the use of information and evolving technology to ensure that both GB domestic and international traffic are targeted in accordance with the risk posed to road safety. We will:

- Roll out an innovative technology solution including the delivery of non-GB Operator Compliance Risk Score (OCRS) capability.



INVESTING IN...VEHICLE TESTING



We are embarking on a long-term strategy to deliver greater consistency and accuracy in testing standards at MOT garages.

Secretary of State Target on Road Safety:

- Improve the quality and consistency of vehicle testing through a reduction in the number of garages still in the highest risk band

Key Measure:

- 15%

In 2009/10 we will:

- Use our risk-based enforcement system to target seriously and serially non-compliant MOT testers;
- Optimise the use of our staff resource for greater effective targeting; and
- Improve standards in testing at garages through training and education.

European Community Whole Vehicle Type Approval

In 2009 a revised directive enters UK law extending the scope of type approval to include heavy goods vehicles, large passenger vehicles and trailers. VOSA, as lead agency, has been working with VCA and DVLA to ensure new arrangements are in place to provide inspection, approval and registration services at the time and place required by the industry.

In 2009/10 we will commence delivery of:

- Individual Vehicle Approval (IVA) inspections for passenger cars; and
- Voluntary IVAs for HGVs, large passenger vehicles and trailers.

Again there are a number of initiatives within the other chapters that contribute to road safety, including training and education for customers, Graduated Fixed Penalties and Deposits (GFPD), Powers to Stop (Scotland) and PSV impounding.





GOOD FOR UK BUSINESS



We will reduce the burden of our testing, inspections and licensing operations on businesses and citizens.

Secretary of State Target on Transport Networks:

- Reduce the burden on commercial operations by delivering programme included within Department's Simplification Plan

Key Measures:

- Changes to legislation to allow self-certification of rectifying actions following minor test failures for HGV/PSV operators
- Implement fee simplification Phase II for licensing and annual roadworthiness testing
- Introduction of Fixed Penalties for roadside traffic/roadworthiness offences and deposit payments from overseas operators
- Giving the Vehicle & Operator Services Agency "direct" powers to stop vehicles and to extend these powers to Scotland

✓ Achieving a sustainable economy

We are contributing towards delivery of the DfT's Simplification Plan, which aims to simplify regulations and deliver burden reductions for the private and public sectors by 2010.

Reduced burden of testing

We will offer increased voluntary services to operators and review test content in order to reduce unnecessary test failures.

In 2009/10 we will:

- Increase provision of non-statutory testing services to customers, including training and non-statutory inspection services; and
- Simplify test standards to enable self-rectification of minor defects and identify opportunities to simplify the annual test content.

Fee Simplification

We are proposing changes to our fee structure. The aim is to save operators money by reducing the number of fee transactions that have to be made.

Specifically:

- All HGV and PSV vehicle-related Operator licence fees will be halved in April 2009 and abolished by April 2010;

- The fees payable on grant and continuation of most PSV operator licences will also be halved in April 2009 and abolished in April 2010; and
- HGV and PSV test fees will be increased to cover the cost of providing the service.

These proposals for change are subject to the necessary regulations receiving Parliamentary approval.

Operator Licensing

We will provide our customers and Traffic Commissioners with a higher quality and more consistent service, through improved electronic Operator Licensing systems.

Our priorities for 2009/10 include:

- Working closely with the newly appointed statutory Senior Traffic Commissioner to deliver our Service Level Agreement;
- Reviewing the quality of forms and enabling new operator applications on-line;
- Commencing the upgrade of the Operator Licensing System in preparation for future policy requirements and to ensure ongoing system supportability; and
- Delivering the second phase of operator licensing fee restructuring, subject to the necessary legislation being in place.

Local Transport Act

The Local Transport Act is a key part of Government Strategy to meet both current and longer-term transport challenges. In response to the Act we will:

- Introduce a scheme for the seizure and impounding of illegally operated PSVs; and
- Extend small bus permits to encompass smaller vehicles and community bus permits to cover vehicles adapted to carry seventeen or more passengers.

Implementation of Graduated Fixed Penalties and Deposits (GFPD)

From Spring 2009 we will be able to:

- Issue fixed penalties for offences around roadworthiness, overloading and abuse of drivers' hours;
- Take immediate payment from drivers unable to produce evidence of a UK address; and
- Immobilise prohibited vehicles where there are immediate road safety issues, or if payment is outstanding.

GFPD will enable a more efficient and fairer approach to our roadside enforcement operations.

Powers to Stop (PtS) Scotland

Once appropriate legislation is in place we will extend our Powers to Stop to Scotland, where currently the police must be present to stop vehicles. This will enable us to take a more flexible approach to our enforcement operations and the police to manage their resource more effectively.



VOSA HAS A ROBUST PLAN TO DELIVER,
IN A SUSTAINABLE WAY



✓ Living within environmental limits

We will improve VOSA's energy efficiency and environmental performance and that of the industry we regulate through delivery of our Sustainable Development Action Plan.

Our priorities for 2009/10 include to:

- Undertake sustainability impact assessments within business functions;
- Target sites with poor energy management and develop improvement programmes;
- Develop an Environmental Management System (EMS) to international standards;
- Publish a Sustainable Procurement Action Plan (SPAP);
- Roll out specific training packages for staff; and
- Deliver plans to comply with Government IT Green Strategy



“...LEADING THE WAY IN HIGHLY INNOVATIVE, EFFICIENT AND EFFECTIVE GOVERNMENT SERVICES DELIVERY... DRIVING DOWN COSTS...”

Secretary of State Target on Improving Efficiency and Capability:

- Deliver financial performance in line with the financial plan including achievement of previously agreed Comprehensive Spending Review (CSR) savings in 2009/10

Key Measure:

- Deliver Financial Plan

✓ Achieving a sustainable economy

In the second year of our 3 year efficiency programme we are redesigning back office and HQ processes to increase efficiency and capability allowing us to redirect headcount savings to front line services and improve the customer experience.

We will:

- Review management of stations to ensure resource is deployed most effectively;
- Reduce the cost of our infrastructure, in particular estates;
- Reduce the average number of days lost per employee through sickness absence to 9 days; and
- Reduce avoidable calls by 151,000 in Quarter 4 of 2010/11 compared to Quarter 4 of 2007/08.

Summary of planned efficiency and effectiveness savings:

	Savings in year		
	2008/09	2009/10	
08/09 Business Plan	£4.0m	£4.0m	
Additional savings 09/10 Business Plan	-	£4.7m	
Total in year savings	£4.0m	£8.7m	
Cumulative savings			£12.7m

Summary of planned headcount movements:

Forecast headcount as at 01/04/09	2,762
New work	68
Efficiency savings	(151)
Planned headcount as at 31/03/10	2,679

“
 ...WORKING FOR A GREAT ORGANISATION
 ...DRIVING UP STANDARDS AND DRIVING DOWN COSTS
 ”

VOSA aims to be a good employer, with our staff seeing VOSA as a great place to work.

Investing in our staff for the future

In 2009/10 we will continue to implement our People Strategy through:

- Developing and promoting a Continuing Professional Development framework;
- Conducting an initial high level skills audit;
- Implementing integrated workforce planning;
- Changing behaviour to create an inclusive culture, encouraging a diverse workforce at all levels;
- Developing and implementing a staff Communications Strategy; and
- Agreeing new and more flexible staff terms and conditions that suit a modern and changing business environment.

Promoting Equality and Valuing Diversity

In July 2008 a Civil Service Strategy was published on "Promoting Equality and Valuing Diversity". As a result of this we have produced a delivery plan detailing how we can contribute towards changes requisite in the strategy.

Focus this year will be on:

- Sharing knowledge and best practice as part of the DfT HR Diversity Network Group and HR Directors' Forum;
- Delivering solutions to support the business in our Promoting Equality, Valuing Diversity Delivery Plan 2009 - 2012;
- Promoting compliance with our duties as a public sector employer and service provider under equality legislation; and
- Improving representation of women, minority ethnic staff and staff with disabilities to meet the 2011 representation targets.

Improved management of our estate

Our priority for 2009/10 is to reduce the cost of infrastructure within our estates. We will deliver this through:

- Rationalising our estate in line with the planned increase in ATFs.

Improving IT Services and Data Security

We will give staff access to a wider range of information necessary to do their jobs.

Our priority for 2009/10 is to implement our IT/ IM (Information Management) Strategy.

We will:

- Increase access to information within our contact centre so customers can be dealt with at first point of contact;
- Deliver the in-year requirements of the Cabinet Office's Security Policy Framework and maintain VOSA's accreditation for our primary information assets;
- Improve data quality through enhancing systems to enforce business rules, monitoring performance and improving customer insight;

- Deliver a range of further improvements to VOSA's overall information security, including data security training, physical measures for the control of removable media and internal monitoring of data access; and
- Develop corporate capability for document management and workflow solutions to support further efficiency and effectiveness.

Improved Performance Management

As part of our continuing drive to enhance corporate governance within VOSA in 2009/10 we will implement a new corporate scorecard, against which delivery of this Plan will be reviewed and monitored on a monthly basis by the Management Board.

As well as delivering against customer-facing service standards (refer pages 28 and 29) and VOSA-specific performance measures, we also monitor our performance against a number of Government and DfT measures through the following targets:

- Maintain customer satisfaction at 90%
- Reduce avoidable calls by 151,000 in Quarter 4 of 2010/11 compared to Quarter 4 of 2007/08
- Complete 80% of Freedom of Information requests within 20 working days
- Provide 85% of answers to parliamentary questions by due date
- Respond to 85% of MP's correspondence within 7 working days
- Respond to 80% of official correspondence within 20 working days
- Maintain progress on improving the agency's impact on the environment by completing the actions included within its Sustainable Development Business Plan by March 2010
- Maintain payment of 98% of undisputed and settled invoices within 30 days of receipt
- Maintain agency headcount of 2,679 at 31 March 2010
- Reduce average number of days absence to 9

We mitigate risk through identifying, managing and escalating (where appropriate) risks at all levels in the organisation and by regular review of both Corporate and Directorate level risk registers as part of our continuing drive to enhance corporate governance.

The following pages summarise our planned income and expenditure for 2009/10 and investment programme.

VOSA Income & Expenditure Statement

	Forecast 2008/09	Planned 2009/10
	£m	£m
Income		
Statutory fee income ³	150.2	159.8
Central Government funding ⁴	18.3	24.5
Interest & other income ⁵	14.8	12.1
Total income	183.3	196.4
Expenditure		
Staff costs	92.8	92.6
Agents' fees	1.8	1.7
MOT	30.0	22.3
IT	18.3	21.3
Accommodation ⁶	12.6	12.8
Postage & Printing	1.9	2.0
Depreciation	10.3	20.8
Travel & Subsistence	7.9	7.2
Telecommunication	1.6	1.5
Advertising/Publications	1.2	0.8
Legal/Banking	2.4	2.3
Other costs ⁷	13.2	17.1
Total expenditure	194.0	202.4
Surplus / (deficit)	(10.7)	(6.0)
Capital⁸		
Estates	9.0	4.1
Vehicles and Equipment	7.2	4.1
IT	8.4	7.5
Total	24.6	15.7

Note: the increase in depreciation and the reduction in MOT costs reflect the impact on VOSA's accounts of the introduction of IFRS. The deficit shown is purely due to the MOT scheme operating at a deficit in order to repay the surplus consequent on the delayed start to MOT computerisation.

³for statutory testing, licensing, supervision of MOT scheme etc

⁴for enforcement activities

⁵from projects, customer initiatives, training, interest etc

⁶for rent, rates, maintenance etc

⁷for consultancy, Traffic Commissioner-related costs, conferences, health & safety etc

⁸Capital expenditure includes:

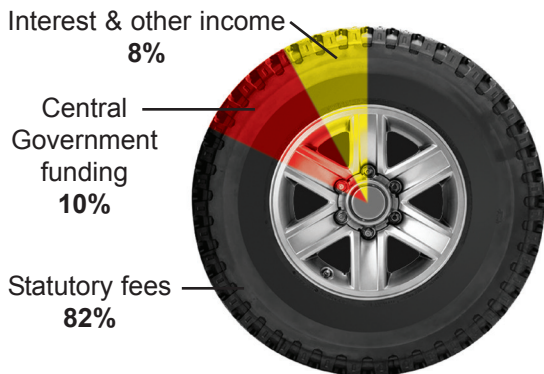
Estates: improvements to enforcement sites including setting up the infrastructure for weighbridge and covered inspection facilities

Vehicles and equipment: additional Powers to Stop vehicles; weighbridge equipment

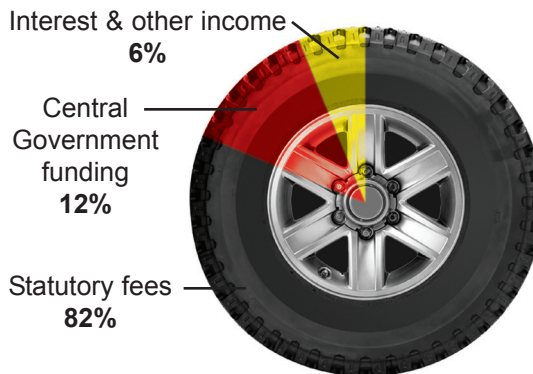
IT: enable development of testing transformation operating model; development of non-GB OCRS capability at the roadside; improvements to operator licensing system

PLANNED INCOME AND EXPENDITURE: 2009/10 vs 2008/09

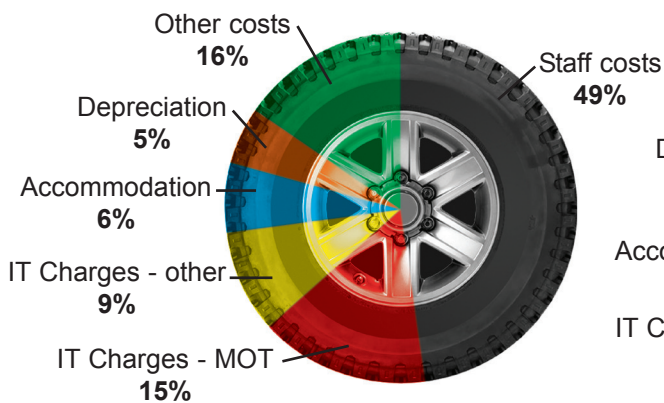
**Forecast income 2008/09:
£183.3m**



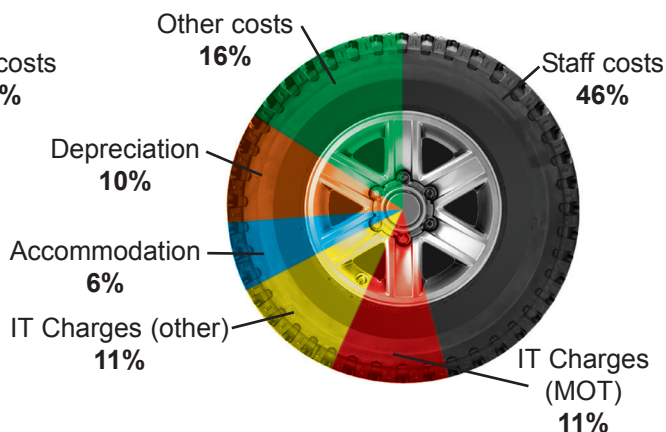
**Planned income 2009/10:
£196.4m**



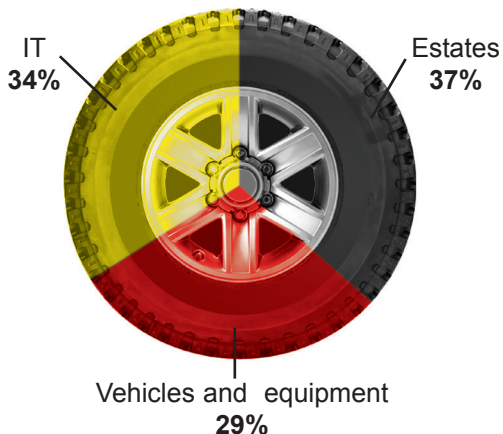
**Forecast expenditure 2008/09:
£194m**



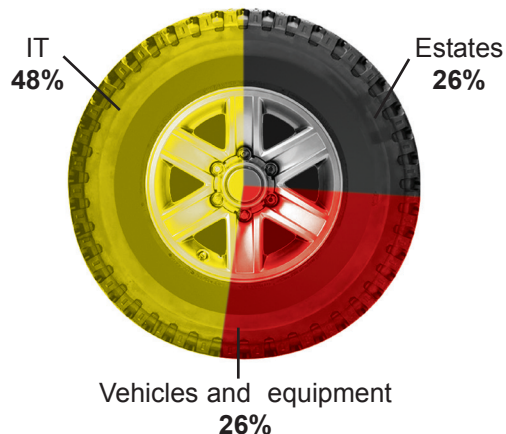
**Planned expenditure 2009/10:
£202.4m**



**Forecast capital expenditure
2008/09: £24.6m**



**Forecast capital expenditure
2009/10: £15.7m**



We consulted in October 2008 on the fees to be applied in 2009/10. The fee rates for 2009/10 reflect the increased cost of providing testing and inspection services. Over the past few years VOSA's fees have increased at rates in excess of inflation as a consequence of investments made to improve customer service through modernising the testing estate and providing e-services to make it easier to "do business" with VOSA.

In 2009/10 fees will reflect changes being made to reduce some fees concerned with operator licensing while increasing annual test fees to compensate. Also, in order to encourage more testing to be carried out at private sector owned and run sites, we are halving the supplements currently charged for testing away from VOSA premises and expect to remove it altogether in 2010/11. Thereafter we expect to further encourage more testing to be carried out at private sector sites by only recovering the cost of the VOSA testing estate from test fees charged for tests carried out at VOSA owned sites. This will have the effect of making the VOSA testing fee lower for tests carried out at private sector sites than for tests carried out at VOSA's own sites.

In 2009/10 we will reduce significantly the level of new investment in the VOSA testing estate and we will reduce some testing capacity. This will reduce the pressure on VOSA costs in future, and support the aim to move more testing to private sector operated sites. In addition, we will continue to make efficiency savings in order to at least meet the agency's commitments made in the 2007 comprehensive spending review (CSR 2007). Over the 3 years of CSR 2007 VOSA is making savings of £24m. These savings are helping to offset cost increases consequent on the investments made in prior years to improve customer service.

In common with many businesses, VOSA faces more than the usual level of risk implementing the 2009/10 financial plan. There are two main reasons for this: first, present economic conditions mean it is likely that testing and licensing volumes will be lower than in 2008/09 with consequent income implications. While the plan assumes a volume reduction, it is not possible to estimate the scale of the reduction with precision. Second, during 2009/10 VOSA will take action to implement the Testing Transformation Programme and it is not possible to estimate with precision the scale and speed of take up of ATFs, nor, how many and/or how quickly, existing testing stations can be closed and/or disposed of. Both of these factors could have material implications for the financial plan.

The overall financial aim for VOSA in 2009/10 is to break even, with the exception of the MOT scheme which needs to operate at a deficit in order to repay the surplus it accumulated from customers consequent on the delayed start to MOT computerisation.

APPENDIX ONE - OPERATIONAL VOLUMES

Licensing Volumes

HGV	Actual 2007/08	Forecast 2008/09	Planned 2009/10
Operator Licences in Issue			
Restricted	48,400	46,950	44,150
Standard National	38,900	37,700	35,500
Standard International	11,000	10,650	9,950
Total operator licences in issue	98,300	95,300	89,600
Vehicles on licence			
Restricted	104,000	100,050	94,100
Standard National	188,850	177,250	166,600
Standard International	88,250	84,800	79,700
Total vehicles on licence	381,100	362,100	340,400
New licence applications	7,250	6,300	5,125
Variations to licence	8,000	7,800	7,600
Continuations	14,250	12,600	12,350
PSV			
Operator Licences in Issue			
Restricted	3,600	3,625	3,575
Standard National	3,050	3,075	3,050
Standard International	2,400	2,400	2,375
Total operator licences in issue	9,050	9,100	9,000
Bus Permits Issued			
Small Bus	1,400	2,000	2,200
Large Bus	33	100	110
Community Bus	4	10	10
Total bus permits issued	1,437	2,110	2,320
New licence applications	1,100	1,010	800
Variations to licence	885	1,100	1,100
Continuations	1,175	1,100	1,100
Bus Registrations			
Live	22,850	22,500	22,500
New	3,100	3,800	3,800
Variations	7,575	8,900	8,900
Cancellations	2,625	3,000	3,000

Testing Volumes

	Actual 2007/08	Forecast 2008/09	Planned 2009/10
HGV Motor Vehicles			
Annual tests	462,700	459,100	435,000
Re-tests	97,625	83,825	66,025
Trailers			
Annual tests	240,500	241,300	228,200
Re-tests	43,200	41,400	37,650
PSV			
Annual tests	81,800	83,750	81,350
Re-tests	11,950	10,950	9,950
LGV			
Class IV	1,210	1,250	1,250
Class V	3,115	2,200	2,200
Class VII	350	360	360
Re-tests	890	860	860
SVA (moving to IVA)			
SVA	4,850	4,350	3,320
ESVA	8,540	4,430	1,260
MSVA	6,100	4,730	3,230
Re-tests	3,900	3,120	2,240
VIC	100,000	102,900	96,550
ADR	6,980	9,260	9,260
TIR	605	460	460
COIF	6,920	7,400	6,930
TEMPO	400	420	420
DDA	3,000	2,700	2,700
MOT Slots (million)	25.7	26.5	26.2

Both our forecast and planned licensing and testing volumes have been amended to reflect changes in trends due to the current economic climate. Robust analysis of our volume data generally indicates an emerging downward trend since the end of 2008, and we will continue to monitor and reforecast over the course of 2009/10.



Customer Promises	Performance Metric
We will provide a full response to enquiries quickly	We will respond to 90% of general enquiries within 10 working days
We will provide a full response to complaints quickly	We will respond to 90% of complaints within 10 working days
We will respond to telephone calls promptly and endeavour to resolve all enquiries at the first call	We will answer 70% of telephone calls within 30 seconds ⁹
We will use reliable and accurate methods to measure customer satisfaction on a regular basis	We will maintain overall customer satisfaction of 90%

Standards of Service for the MOT Scheme

In our administration of the MOT Scheme we aim to:

- apply enforcement standards correctly and fairly and provide timely and reliable advice wherever it is sought
- notify appointments to visit proposed testing premises within 5 working days of receipt of a fully completed and correct application
- provide a nominated tester training course, or assessment exam within 20 working days of receipt of a fully completed and correct application
- determine 95% of appeals within 5 weeks of receipt of full written representations by the due date against the withdrawal of authorised examiner, nominated tester, designated council or designated council inspector status and against intentions to refuse applications for the above

Standards of Service for Vehicle Testing

Vehicle Test Stations (which undertake lorry, bus and coach tests) aim to:

- offer an annual test appointment within 1 working day of the requested date at least 85% of the time at the test station of choice for tests booked at least 10 days in advance
- complete 90% of all tests within 90 minutes of the test appointment time. This will not apply if a vehicle is late for its test appointment
- provide all drivers with relevant documentation at the end of the test (e.g. roller brake test printout, smoke meter printout, written details of failure items) and offer an explanation about the information contained in the documentation
- conduct prohibition clearance inspections within 3 working days of a requested date
- conduct tests to our published standards

⁹ will be measured at our contact centre



Standards of Service for Enforcement

Our Enforcement Officers aim to:


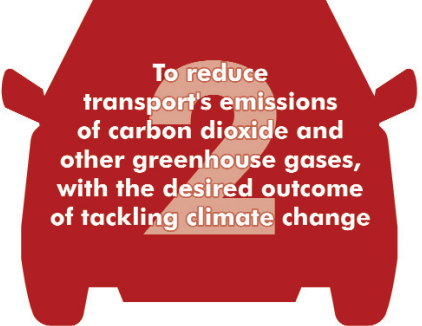



- apply enforcement standards correctly and fairly
- avoid delaying vehicles by more than one hour at road checks
- keep delays at road checks to buses and coaches carrying passengers to a minimum by beginning inspections within 15 minutes and releasing vehicles within 30 minutes of being stopped
- remove prohibitions immediately if the cause has been put right whilst a VOSA examiner is still on site, provided the examiner has no reason to think that the vehicle is unfit for service
- carry out all overloading prohibition clearance examinations within 24 hours of the request being received; a copy of any prohibition will be sent to the vehicle operator within 5 working days
- issue an exemption to a prohibition (where appropriate) to allow limited safe use of the vehicle subject to specified conditions
- advise as soon as possible following any investigation whether any further action will be taken and if so what that action is likely to be




Standards of Service for Licensing

Licensing and OTC staff aim to:

- determine 85% of goods and PSV applications unopposed and not requiring a public inquiry within 9 weeks of the date of receipt of the application and the required fee in the Traffic Area Office
- determine 85% of goods and PSV licence applications opposed or requiring a public inquiry within 20 weeks of the date of receipt of the application and the required fee in the Traffic Area Office
- send licence documentation and vehicle discs to 95% of goods and PSV operators who apply to continue their operator's licence within 5 working days of receipt of the correct fee
- determine 95% of complete applications to register, vary or cancel local bus service registrations within 5 working days of receipt of the application and any required fee

How the Motoring and Freight Services (MFS) Group Strategic Outcomes deliver DfT Objectives

DfT Objectives:	 <p>To support national economic competitiveness and growth, by delivering reliable and efficient transport networks</p>		 <p>To reduce transport's emissions of carbon dioxide and other greenhouse gases, with the desired outcome of tackling climate change</p>	
Strategic Outcomes	 <p>Transforming customer service delivery</p>	 <p>Improved Road Safety</p>		 <p>Better Transport Networks</p>
<p>End States to 2011</p>	<p>In each main customer group satisfaction levels with the services they receive from the MFS Group will be maintained or improved compared to 2007/08 baseline levels</p>	<p>Compliance will be maintained or improved in the areas of: Vehicle roadworthiness and drivers hours; Driver licensing; Vehicle registration; Vehicle testing; Motor insurance; Road traffic law</p>		<p>A consistent, multi-modal approach to logistics will be maintained across the whole of the Department - with a strong evidence base for interventions in the sector while opportunities to minimise and simplify the burden of regulation on the industry will be taken</p>
	<p>Accessible e-Channels, tailored to customer needs, will be the preferred channel for the provision of services and other interactions where face to face contact is not required</p>	<p>Quality and consistency of testing will be improved through the use of targeted and innovative activities in the areas of: Private motor vehicles; Commercial vehicles; Driver competence; Vehicle type approval</p>		<p>Contributing to journey reliability benefits through activities such as targeted enforcement and the provision of accurate data for road pricing schemes and sustainable logistics programmes</p>
	<p>Customers who do not have access to electronic services or need physical contact to carry out their transactions with the MFS Group will have access to, and timely provision of, those services</p>	<p>The MFS Group's work in the areas of driver education and training and testing will improve standards of driving</p>		<p>Local authority network managers will be enabled to deliver more efficient local road networks, using a range of network management tools</p>
	<p>MFS Group data will be of high quality, accurate and consistent, enabling ourselves and our partners to deliver new and more accurately targeted services</p>	<p>A strategy to improve safety across all modes will be in place across the whole of the Department</p>		
	<p>A strategy to transform the way services are delivered to customers will be in place across the whole of the Department</p>	<p>The development of policy, legislative and regulatory regimes will provide an effective delivery framework for achievement of the planned reduction in the numbers killed and seriously injured on our roads and the provision of robust evidence that allows Highway authorities to deliver and manage the transport infrastructure</p>		

<p>To contribute to better safety, security and health and longer life-expectancy by reducing the risk of death, injury or illness arising from transport and by promoting travel modes that are beneficial to health</p>	<p>To promote greater equality of opportunity for all citizens, with the desired outcome of achieving a fairer society</p>	<p>To improve quality of life for transport users and non-transport users, and to promote a healthy natural environment</p>
<p> Reduced impact on climate change and the environment</p>	<p> Contributing to wider government objectives</p>	<p> Improved efficiency and capability</p>
<p>The MFS Group, working with its partners, will promote and improve the environmental performance of transport through information, education and enforcement of standards and funding for freight modal shift</p>	<p>Compliance on Vehicle Excise Duty will be delivered to the level agreed with HMT</p>	<p>The MFS Group will continue to demonstrate its commitment to providing efficiencies in the delivery of its services to customers, including a higher level of interaction via the preferred electronic channel, and in its own internal operations</p>
<p>The MFS Group's internal environmental footprint will be reduced in accordance with the Department's sustainable development policy</p>	<p>The MFS Group, working with its partners, will contribute to the tackling of identity fraud and other serious crime connected to its services through the provision of high quality data and the integrity of its systems</p>	<p>The MFS Group will provide effective governance and management of its operations whilst, at the same time, developing the skills, capability and well-being of its staff</p>
		<p>The MFS Group will work closely with its partners and stakeholders to deliver quality services to its customers</p>

GLOSSARY

AE	Authorised Examiner
ANPR	Automatic Number Plate Recognition
CSR	Comprehensive Spending Review
DfT	Department for Transport
DSA	Driving Standards Agency
DVLA	Driver and Vehicle Licensing Agency
ECWVTA	European Community Whole Vehicle Type Approval
GFPD	Graduated Fixed Penalties & Deposits
GVTS	Goods Vehicle Test Station
HGV	Heavy Goods Vehicle
IVA	Individual Vehicle Approval
LGV	Light Goods Vehicle
MFS	Motoring and Freight Services
MOT	Annual statutory test for cars and motorcycles
OCRS	Operator Compliance Risk Score
PSV	Public Service Vehicle
SDAP	Sustainable Development Action Plan
SLAs	Service Level Agreements
SVA	Single Vehicle Approval
TC	Traffic Commissioner
TE	Traffic Examiner
VCA	Vehicle Certification Agency
VE	Vehicle Examiner
VfM	Value for Money
VIC	Vehicle Identity Check
VOSA	Vehicle & Operator Services Agency
WIMS	Weigh in Motion Sensors

*An executive agency of the
Department for*
Transport