

VEHICLE CERTIFICATION AGENCY

VCA BUSINESS PLAN 2011 - 12



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Department for
Transport

VCA BUSINESS PLAN 2011 – 12

VCA VISION

Delivering a Safe Environment

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FOREWORD FROM THE CHIEF EXECUTIVE OF VCA

Welcome to the Vehicle Certification Agency Business Plan for 2011-12. This sets out our goals and outcomes for the year, and builds on the successes of the Agency over the past few years.

The automotive industry has had a very difficult sales period over the past few years, particularly in the mature western markets, in contrast to places like China and India where, although the rate of sales growth has slowed, sales are still increasing. The Recast Framework Directive is continuing its roll-out, and VCA is working with colleagues from DfT and VOSA, and Trade Bodies, to communicate effectively about the impact on differing categories of vehicles. This is bringing in new customers to VCA, especially in the UK.

VCA is investing in new operating systems, to deliver improved efficiencies in the Agency, to deliver a better service to customers and to improve access to information through e-channels. This has demanded an upgrade in the Agency ICT infrastructure, with wider broadband channels, hardware, and access internationally. Further investments are scheduled in this Financial Year.

Our Quality and Environmental management activities are planned to grow in 2011-12, supported by the new Global e-Management System (GeMS) operating system, introduced last year, which has already delivered efficiency gains. Further improvements will be delivered this year, including giving clients their own secure portal, so they can track progress and interact electronically with Client Managers.

The work we do for Government, mainly enforcement activities, especially for BIS and DfT will be reduced in 2011-12, reflecting the squeeze on Departmental budgets, as part of the Government's commitment to tackle the economic deficit. The Agency will continue to seek and deliver efficiency savings on these programmes to deliver the best outcomes.

Activities for the DfT in the field of the certification of the packaging of Dangerous Goods are expected to continue at a similar level in 2011-12,

Our Ministerial outcomes will focus on improving systems, quality of service, and efficiency of delivery. We will continue to improve value for money and quality for our customers, and systems and operations for our staff.

We are looking forward to another successful year for the Agency.

Paul Markwick
Chief Executive

INTRODUCTION AND SUMMARY

- The Vehicle Certification Agency (VCA) is an Executive Agency of the Department for Transport (DfT).
- As the UK Type Approval Authority for new on and off-road vehicles, systems and components, VCA is responsible for approving that these have been designed and constructed to meet internationally agreed standards of safety, security and environmental protection. As a consequence of this VCA provides data to the public as well as other DfT Agencies.
- VCA is also the administrator and operator of the scheme for the approval of packages for the carriage of dangerous goods in the UK. Each mode of transport has its own set of International Regulations but all use packaging as defined in the United Nations (UN) recommendations for the transport of dangerous goods as determined, in the first instance, by the United Nations Economic and Social Committee (UNESCO). The different International regulations and the requirement to use approved packaging are put into effect by separate Statutory Instruments. The regulations require dangerous goods to be transported in packages tested and approved as being suitable for transport to protect the safety of individuals, the public, society and the environment, further supporting the practical contribution VCA makes in these important areas.
- VCA also operates, on behalf of the DfT, Business Innovation and Skills (BIS) and the Department for Environment, Food and Rural Affairs (DEFRA), as the nominated enforcement body for a number of Statutory Instruments arising from European directives, such as gaseous emissions of non road mobile machinery, replacement catalytic converters, end-of-life vehicles, the noise emissions from equipment designed for outdoor use, the environmentally friendly disposal of Waste Electrical and Electronic Equipment (WEEE) and waste batteries and accumulators.
- VCA takes its policy lead from the DfT centre, and in 2011-12 the main lead will be the new International Vehicle Standards Division (IVS), part of the Environment and International Directorate. The policy lead for the Dangerous Goods activities is the Dangerous Goods Division (DGD). VCA works closely with colleagues in DfT policy divisions, bringing real time industry and technical knowledge.
- VCA supports DfT Traffic Division in providing a certification service to local authorities who wish to implement bus lane and parking enforcement camera systems.
- In addition to statutory work VCA provides a range of Management System Certification (MSC) services to the automotive industry supporting the ongoing compliance to the Type Approval requirements and regulations. These allow the automotive industry to demonstrate that they have the systems in place, not only to ensure the quality of their products, but also to minimise the impact on the environment from the manufacturing and design processes.
- VCA provides a practical contribution to the achievement of DfT objectives of reducing the toll of killed and seriously injured (KSI) road casualties, and reducing the damaging environmental effects arising from road transport through Type Approval compliance of new vehicles.
- The VCA published database of CO₂ emissions from passenger cars underpins the graduated Vehicle Excise Duty (VED) and Company Car tax schemes, and the “Act on CO₂” campaign. The VCA successfully completed the carfueldata website convergence to the Direct.gov and Business Link platforms during 2010-11. The VCA carfueldata website receives in the region of 7 million unique users during the year and the move to the Direct.gov and Business Link platforms is expected to increase this figure still further, supporting the Government’s strategic drive towards the reduction in CO₂ emissions.

(Unique user represents the number of unduplicated (counted only once) visitors to the website over the course of a specified time period).

- VCA chairs the Vehicle Technology Forum, working with DfT policy leads, other DfT Agencies and the Chief Scientific Advisors Unit. This forum shares knowledge, understanding and experience of emerging Vehicle Technologies.
- VCA provides a UK base for the global automotive industry to gain access to the European and other legislative markets as well as supporting UK industry in meeting the requirements for export to these markets.

STRATEGIC OUTCOMES

The purpose of VCA is to deliver DfT policy in respect of new vehicle, systems and components Product Certification.

The VCA strategic outcomes are described as: -

Improved Road Safety

- By ensuring through vehicle Type Approval schemes, support and information provided to manufacturers, that new vehicles, systems and components are designed and manufactured to the appropriate national, European and international road safety standards.
- By working with DfT and BIS policy colleagues, so that VCA's operational experience helps their formulation of future standards and schemes plus developing VCA capabilities and expertise.
- By exploring with DfT policy colleagues the potential safety benefits of emerging automotive technologies.
- By testing safety critical vehicle systems and components available in the UK marketplace.
- By testing the safety of adapted vehicles like Wheelchair Accessible Vehicles for personal use.
- By ensuring through the UN package certification scheme that dangerous goods are transported safely, and to prevent harmful exposure to the environment.
- By supporting DfT on developing interactive channels for the supply of information on the carriage of dangerous goods.
- By undertaking Quality Management Systems third party auditing to ISO 9001 and automotive standard ISO/TS 16949.

Reduced Impact on Climate Change and the Environment.

- By enforcing European Directives for road vehicles on gaseous emissions and noise.
- By publishing CO₂ and fuel consumption data for cars and vans on Direct.gov and Business Link web sites to improve awareness.
- By ensuring through vehicle Type Approval schemes, support and information provided to manufacturers that new vehicles, systems and components are designed and consistently manufactured to appropriate environmental protection and crime prevention standards.
- By enforcing Non Road Mobile Machinery (NRMM) gaseous emissions standards.
- By enforcing the distributor obligations under the WEEE legislation.
- By enforcing the distributor obligations under the waste batteries and accumulators legislation.
- By enforcing limits on the use of heavy metals in new vehicles.

- By enforcing standards for replacement catalytic converters.
- By undertaking Environmental Management Systems (EMS) third party auditing to ISO 14001, EMAS and BS555 (Acorn).

Improved Transport Networks and Supply Chains

- Ensuring that through the support and information provided to manufacturers through the application of vehicle Type Approval schemes, new vehicles, systems and components are designed and consistently manufactured to appropriate safety standards. Assisting in the reduction of and severity of accidents, improving the quality and reliability of products, thus not only reducing KSI but also congestion.
- By supporting DfT Traffic Division in the certification of bus lane and parking enforcement camera systems to reduce the potential for congestion with incorrectly parked vehicles.
- By supporting DfT with understanding and knowledge sharing of emerging vehicle technologies.

Transformed, Customer Focussed, Convenient, e-Enabled Services

- By providing approval, certification, related services and advice.
- By adding value, responding to the needs of industry and government on price, speed, flexibility and effectiveness.
- Providing modern and efficient digital services consistent with the DfT channel approach and the “digital by default” direction of travel set out in the Government’s Spending Review.
- By working with other parts of the DfT and VCA’s worldwide partners to help ensure that services are delivered in a seamless, integrated and innovative fashion.
- By developing knowledge of developing science and technology issues relevant to VCA work and establish a mechanism to make information available to VCA, other agencies, and DfT.
- By continuing to develop VCA’s understanding of and readiness for the use of computer simulation in place of physical Type Approval testing, in parallel with the development of European Union (EU) legislation. Continuing to deliver the forward plan developed from the VCA/IVS project completed during 2007-08. Support IVS in the development of UK policy on this subject.
- By operating when and where customers require.
- By improving access for automotive and component manufacturers to VCA products and services through its global presence and updating available e-channels on a regular basis to make available the latest information in a customer friendly manner.
- By continuing to develop the VCA Compliance Management System (CMS) that helps to reduce the regulatory burden on industry.
- By the development and implementation of customer accessible web enabled MSC and Type Approval systems.

- By providing high quality and consistent Type Approval interpretations to all VCA offices and our clients.
- Continuing to support the implementation of the Recast Framework Directive (RFD) for European Union Whole Vehicle Type Approval (EWVTA). Developing efficient processes and systems to assist UK manufacturers to obtain approval and delivering Conformity of Production (CoP) in a cost-effective manner.
- By delivering our and DfT's customer promise:-
 - 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; and
 - We have policies and procedures that support the right of all customers to expect excellent levels of service.

Sustained Provision of High Quality, Efficient, Secure Data and Data Systems

- By ensuring that we have well developed and tested business continuity plans.
- By continuing investment in Information and Communications Technology (ICT) infrastructure, including the implementation of Storage Area Networks in two different offices with online replication providing greater resilience and security.
- By upgrading remote access facilities to provide better access to data while maintaining data security integrity.
- Through the planned implementation of virtualisation during 2011-12 to reduce the number of servers, supporting the Department's Green ICT Agenda, and further improving resilience.
- Ensuring that business processes and systems are regularly audited and improvements actioned promptly.
- Accreditation of all new ICT systems before implementation.

Greater Efficiency, Better Value for Money

- By achieving efficiency savings of £200,000, whilst investing in the VCA infrastructure and skills.
- Recovering costs taking one year with another and meeting the financial target as set by the Secretary of State to deliver a £50,000 surplus on a full cost basis in 2011-12.
- By maintaining our financial performance across all major Type Approval areas and improving it in MSC in a difficult and uncertain global economic climate so that MSC breaks even by March 2012 on a full cost basis.
- By full engagement in DfT/ Office of Government Commerce (OGC) procurement strategy, in particular car hire, hotel and other travel costs.
- By continuing to increase the productive utilisation of **all** staff across the Agency, building on the improvements achieved in the past 5 years, to achieve 67% by 2011-12, from a baseline of 56% in 2005-06.
- By maintaining planned overall staffing levels (FTE's) in 2011-12 over the 2010-11 forecast, whilst generating an income of £14.0m.
- By starting to realise the efficiencies generated from the introduction of the Type Approval Management System (TAMS), through improved workflow and a reduction in manual processes.
- Changes to the structure of VCA's fee regulations should result in more efficient charging and use of VCA's services.

STRATEGIC DIRECTION AND DEVELOPMENTS

- VCA has made significant progress along the direction established in its 10 Year Business Vision over the past 6 years, and has again recently revisited this to reflect the changes in the business environment, and the learning established to date.
- VCA has increased and maintained revenues through improving customer satisfaction, delivering new activities as well as offering new regional facilities over the last 5 years in China, India, Australia and Italy.
- Type Approval fees and charges have been unchanged since October 2006, as efficiency and value for money improvements have been delivered.
- We have kept up to date with technology progress through literature searches, attendance to relevant seminars, and continued interaction with the automotive industry.
- Changes to VCA's infrastructure, particularly in ICT and its resilience, have improved the effectiveness of VCA's operations and further improved customer service.
- Closer engagement with the other DfT Agencies has improved cross-cutting communication, and shared information.
- The Agency intends to focus its efforts on consolidating and strengthening the current operations and infrastructure and offering an improved service to all customers.
- We will seek efficiency and effectiveness improvements year on year.
- VCA will continue to develop new tools and techniques to train its staff in the EWVTA RFD. VCA will also progress the development of new systems and tools to assist existing and new manufacturers in compliance with the revised Type Approval requirements. Development of CMS will continue which will include a 'customer portal' to allow on-line access to their data.
- We will continue to develop and improve MSC's Global e-Management System (GeMS) and TAMS, to improve cost, quality and delivery across the VCA international offices.
- VCA plans to increase its understanding of developing sciences and technologies. In all our work – product certification, systems certification and enforcement, as customers expect VCA staff to be at the forefront of knowledge in their subject for both established and prospective technologies.
- Following the expansion of VCA into new territories and new core services such as dangerous goods packaging, the need was identified in 2007-08 to invest in and to develop an integrated Agency wide management information system. A comprehensive review of the Agency data needs and operating systems was conducted, and an integrated programme of improvements was planned. Significant progress has been made and an implementation plan is currently being produced, the 2011-12 costs of which are included within this plan.

PROGRESSION IN 2010-11

VCA has made considerable progress in a number of key areas towards its strategic direction and outcomes, the highlights being:-

- VCA China continues to grow, delivering a significant contribution to revenues. Additional local engineers have been recruited and are training to ensure we are ready for further anticipated growth as Chinese car makers seek approval to EU requirements as part of an expected export push into Europe during 2011.
- VCA Italy continues to grow, delivering an important contribution to our European operations. A recruitment campaign has been undertaken in support of further anticipated growth.
- VCA India has continued to nurture new clients within a culture where long term relationships are so important, setting the foundations to provide certification services as the automotive industry pushes into exports. This is beginning to reap benefits as the client base starts to grow with particular success in the component sector such as lamps, mirrors and tyres. Local engineers have now reached a level where they are making a positive contribution.
- As in previous years VCA hosted a very successful Dangerous Goods Conference in the West Midlands, supported by DfT Dangerous Goods Division, related approval and enforcement bodies which was well attended by representatives of the industry.
- Work continued in the processing of individual Vehicle Special Orders (VSO) under Section 44 of the Road Traffic Act 1988. VCA issued 160 Orders covering 536 vehicles in the first three quarters of 2010-11.
- On 31 October 2010, the new CMS was launched as a pilot. CMS is a tool to help facilitate effective management of the Type Approval process by manufacturers, especially helping SMEs affected by the RFD. The product provides a robust mechanism to support compliance with regulatory requirements.
- Work continued certifying traffic enforcement camera system of behalf of DfT Traffic Division. During the first three quarters of 2010-11 VCA certified 12 bus lane systems, 11 parking systems, and has accepted 43 formal system updates.
- Development and launch of GeMS, CMS and the continuing development of TAMS to provide improved efficiencies both for VCA and our customers, including allowing customers to access on line status of jobs.

THE EUROPEAN AND UK DOMESTIC REGULATORY CLIMATE

- Mandatory EWVTA will apply from the following dates:

Special purpose vehicle of category M1 new types	29 April 2011
Incomplete and complete vehicles of category N1 existing types	29 October 2011
Completed vehicles of category N1 new types	29 October 2011
Completed vehicle of category M2 and M3 existing types	29 October 2011
Completed vehicles of category O1, O2, O3, O4 new types	29 October 2011

- Changes to the definitions of vehicle type are proposed that will alter the scope and number of EU whole vehicle approvals issued. It is anticipated that the proposal will be agreed in the first quarter of 2011-12 and will apply to new approvals from October 2012.
- The General Safety Regulation 661/2009 will generate several significant changes to EC Type Approval legislation:
 - 50 separate technical Directives will be repealed;
 - 61 United Nations Economic Commission for Europe (UNECE) Regulations will be made mandatory for EWVTA;
 - New requirements will be introduced for tyre rolling resistance and rolling noise, tyre pressure monitoring systems, advanced emergency braking systems, gear shift indicators, electronic stability control systems.

The Regulation takes effect on 1 November 2011 with new technical requirements and implementing measures becoming mandatory from November 2012 - onwards. Whilst intended to be a simplification of legislation, the Regulation and its implementing measures are complex and it will be important that its application through Type Approval is made practical. VCA will be contributing to that discussion, liaising with IVS Division of DfT and through taking an active part in EU Type Approval Authorities meetings.

- New legislative measures expected in 2011-12:

Directive/Regulation	Subject Matter
Annex II 2007/46/EC amendment*	Definitions of vehicle category
Annex IV 2007/46/EC amendment*	Harmonised IVA
Regulation 715/2007 and 692/2008 Amendment*	Light Duty Emissions
Commission Regulation implementing 595/2009/EC*	Heavy Duty Emissions
Commission Regulation mandating UNECE Regulations*	General Safety / UNECE Regulations
Commission Regulation TPMS	Tyre Pressure Monitoring Systems
Commission Regulation Tyres	Tyre Installation
Commission Regulation GSI	Gear Shift Indicators
Commission Regulation Masses & Dimensions	Masses & Dimensions
Commission Regulation amending 97/68/EC	Non Road Mobile Machinery Emissions

*Agreed in Committee but not published at time of writing.

Note that EU Regulations apply automatically under EU law but may need to be transposed to UK regulations where specific provisions are included for enforcement or market surveillance.

EVIDENCE AND RESEARCH

- In order to achieve VCA's goals, robust evidence is needed to inform decision-making in a number of areas, including customer service, policy, and the use of technology.
- VCA is responsible for its own areas of research and evidence as set out in the Agency's evidence and research strategy, working with the DfT policy leads and other stakeholders, such as the Chief Scientific Advisor's Unit, to plan activities for research and evidence gathering and to share findings. Action plans are developed as a result of research and evidence findings to implement the resulting conclusions and decisions.
- In 2011-12 evidence and research will focus on:
 - Customer and market research;
 - Technical knowledge gathering; and
 - Knowledge management.
- Customer and market research will seek greater understanding of customer needs and perceptions of the quality of our service.
- Technical knowledge gathering will continue to improve understanding of:
 - Virtual Testing (VT). EU legislation allows both virtual and self testing for a limited number of regulations and directives. VCA is developing procedures, test reports and training which will allow the Agency to respond knowledgeably, proportionately and consistently to requests from manufacturers who wish to avail themselves of this facility;
 - Electronics, telematics and sensor developments applied to vehicles and other relevant products and, in particular, functional safety of electronic systems. This will support VCA's work in Type Approval of vehicle electronic systems, management systems certification of manufacturers' electronics modules, and to assist other enforcement activities such as WEEE and End of Life Vehicles (ELV);
 - Alternative fuels. The types of fuels available or likely to become available are well known. VCA staff however will benefit from greater understanding of production techniques, chemical compositions, emissions, pollution, catalyst requirements and well-to-wheel carbon effects;
 - Alternative powertrains. Complete new powertrains, components and retrofit items are being developed. These, for example, could rely on power electronics, complex electronic control units or high voltage electrical systems to deliver the system and driver benefits. VCA must understand the underlying science and the implications for Type Approval testing in order to be prepared for customer questions, systems or vehicles;
 - On-board methods of electricity generation and storage. batteries, capacitors, regeneration systems and fuel cells are being developed for both non-automotive use (e.g. military personnel power-packs) and vehicles applications. Electricity generation and storage are one of the key enablers of hybrid vehicles which are seen as a way to reduce Green House Gas emissions.
 - Other emerging technologies. VCA will look at the horizon of scientific and technological research in order to identify science and technology issues that have relevance to vehicle development, and hence are important to the quality and robustness of VCA's business. The aim will be to identify and 'roadmap' new technologies which are either not obviously covered by current regulations or which will require legislative interpretation, in order to allow VCA time to develop a measured response to developing technology.

DATA AND INFORMATION ASSURANCE

- VCA operates in a Business to Business environment mainly with the automotive industry. As such the Agency does not hold or process personal data in respect of the general public. Some data held on VCA's ICT network and laptops of Type Approval engineers could be classed as commercially sensitive. All staff handling this data are required to sign a confidentiality agreement on joining VCA. All staff undertake training and are periodically reminded of the importance of protecting this data. To protect for the potential loss of this data through loss or theft of laptops, VCA encrypts the hard discs of all laptops to the UK National Technical Authority on Information Assurance (CESG) approved standards.
- VCA is committed to the recommendations of the Cabinet Office review of data handling. The Agency has appointed at board level a Senior Information Risk Owner (SIRO). The SIRO is responsible for both business and information risk and has the role to support actions to improve the level of information assurance including risk assessment and risk management throughout the Agency.
- VCA has identified all information assets, and appointed owners. The information asset owners are responsible for implementing the recommendations of the data handling review and are required to review their risks quarterly and provide written assurance reports to the Agency SIRO.
- The Agency regularly reviews and updates security policies and procedures taking in to account guidance received from DfT, Cabinet Office and other government security agencies.

ESTATES

- All VCA's UK properties are core business premises, details of which are held on the electronic Property Information Mapping Service which the Agency's Central Services team maintains. VCA leases its headquarters building in Bristol, land at the Motor Industry Research Association site for the Midlands Testing Centre and an office for the Dangerous Goods activities in Leatherhead, adjacent to testing facilities. The overseas offices are all leased. There are no rent reviews or lease renewals due in 2011-12.

SUSTAINABILITY

- VCA is fully engaged in DfT's commitment to Sustainable Development (SD), and makes a valuable contribution to the delivery of the Department's strategy. Some key examples are:
 - Collating and publishing information (colour coded environment labels) on the fuel consumption and emissions of new and used vehicles, so that purchasers may make an informed choice when purchasing vehicles;
 - Conducting in-service emission testing (the testing of vehicles that have been in-use for some time after purchase) to determine compliance with the Directive requirements for in-service vehicles;
 - Testing new vehicles to ensure they meet the appropriate noise and emissions standards, thereby providing a degree of protection to the environment. **Note:** in this respect, VCA staff witness tests in the UK and overseas; whilst this implies a level of travel, the overall outcome is a reduction in emissions given the production of cleaner and safer vehicles;

- Enforcing requirements concerning the gaseous emissions of non road mobile machinery;
 - Enforcing requirements for the performance of replacement catalytic converters;
 - Enforcing limits on the use of heavy metals in new vehicles;
 - Enforcing the Waste Batteries and WEEE directives for Retailers and Distributors to reduce the environmental impact of portable batteries, electrical and electronic equipment when they reach the end of life, and to encourage the separate collection, subsequent treatment, re-use, recovery, recycling and environmentally sound disposal of these waste products; and
 - Developing knowledge of sustainable vehicle emission technology developments and sharing this knowledge across the Department.
- The Agency's SD Action Plan covers, amongst other things, targets for reducing carbon emissions from offices, ICT, office equipment, road vehicles, waste and water consumption. VCA has established a very active SD Focus Group which raises awareness of SD issues within the Agency and plays a lead role in taking forward initiatives. This year we will be placing particular emphasis on waste reduction and smarter ways of working.

WORKFORCE

- VCA does not plan to reduce the current staffing level during 2011-12, but maintain it at the forecasted 2010-11 level. On the basis that VCA has an average annual staff turnover of 5%, we will need to recruit approximately 8 staff during 2011-12. Recruitment is likely to cover a mix of grades and specialisms, including support services, the largest requirement is expected to be in specialist technical professionals. As at 1 March 2011, VCA has 14 unfilled vacancies and recruitment campaigns are currently underway for 12 of these. The remaining two vacancies, one in Finance and one in Central Services, are likely to be carried forward to 2011-12. Note that should there be a significant increase in workload due to client demand, then VCA will need to review staffing levels accordingly.

DIVERSITY

- VCA utilises the potential and strengths of all staff in the Agency by treating people as individuals, embracing variety, rejecting prejudice and accommodating changes in working patterns. VCA believes that using a flexible people management approach motivates staff and creates an environment that enables all members of the Agency to be productive. Key aspects are as follows:
 - VCA's published Single Equality scheme 2010-12, which is built around the following key themes:
 - Leadership and accountability,
 - Behaviour and culture,
 - Talent management,
 - Representation,
 - Mainstreaming equality and diversity in the business;
 - All staff within the Agency attend core diversity and bullying and harassment awareness courses as part of VCA's induction training plus refresher courses where appropriate;
 - Agency policies and processes are subject to Equality Impact Assessments; and
 - Staff views are sought through regular staff surveys, and it was pleasing that the Agency recorded an improvement in its Staff Engagement score following the recent Civil Service wide survey in Autumn 2010 to 67%, in the top 5 of the Civil Service organisations surveyed.

BUSINESS DEVELOPMENT

VCA's Business Development will continue to build on its existing customer base, and concentrate on coordinating business development activities between all VCA offices worldwide through the adoption, development and implementation of a central Customer Relationship Management (CRM) system across the VCA operations. The key objectives for 2011-12 are aimed at improving sustainability, market intelligence and global communications, and include the following:

- Secure business with our existing global customer base through continued support and nurturing of strong working relationships.
- Adoption, development and implementation of a central CRM system across the VCA operations to yield the following benefits:
 - Increased customer interaction in sales/business process;
 - An auditable system for maintaining quotations and customer records;
 - Global access and interaction with a single/central customer records database;
 - Integration and interoperability with other VCA systems;
 - Increased efficiency and capability of sales process; and
 - A global sales process that works across all offices giving efficiency savings and capability increases.
- In supporting the DfT implementation project for the EWVTA RFD, VCA has developed an extensive database of potential clients to promote its services, and will draw upon these contacts to promote VCA services and educate clients on the revised legislation.
- Continue to develop and market CMS as a tool to facilitate effective management of the Type Approval process by manufacturers especially helping SMEs affected by the RFD.
- Continue to build on the Type Approval business in emerging markets, such as China, Asia Pacific, India and Eastern Europe. The introduction of EWVTA for buses is recognised as being a key element in the expansion of certification work from these regions, where many of the major manufacturers are existing VCA clients.
- The need to maintain MSC accreditation for Type Approval CoP activities means that VCA plans to increase the robustness of the MSC business.
- Support to the DfT in the ongoing development of the Act on CO₂ website, incorporating new search criteria and functionality.
- 2011-12 proposals for VCA Enforcement activities include:
 - Non-Road Mobile Machinery Enforcement;
 - Safety critical vehicle systems and components in the UK marketplace;
 - Replacement Catalysts;
 - Provision of fuel consumption and CO₂ information in promotional literature; and
 - Tyre Noise.
- VCA has been approached by the Welsh Assembly to consider operating a parking enforcement camera certification scheme on their behalf, similar to that currently provided by VCA to Traffic Division of DfT for England. Negotiation of a service level agreement will be taken forward during 2011-12.

VCA PERFORMANCE MEASURES 2011-2012

The VCA key performance targets are agreed by the Secretary of State and support those of the DfT.

VCA Specific Measures		
Category	Measure	Objective
Operational	Deliver the agreed testing, enforcement and in-service emission programmes.	31 March 2012
	Complete System and Component Type Approval certificates within 9 days.	90%
	Appraisal reports on our technical performance from independent panel members deemed to have no critical defects.	99%
	Ensure the continued consistency and quality of VCA's approvals by undertaking the following programmes: <ul style="list-style-type: none"> Conformity of Production assessments for VCA issued approvals using the risk based methodology in line with the agreed programme. Dangerous Goods packaging - Carry out a programme of Conformity of Production inspections in accordance with the Service Level Agreement agreed with the Department. 	31 March 2012 31 March 2012
	Customer satisfaction – Maintain or improve the satisfaction of our customers for our services.	90%
	Protecting the environment – Cut carbon emissions from agency buildings and business use of vehicles by 31 March 2012.	5% reduction
Financial	Workforce – Ensure efficient deployment of staff within business plan compliment set for 31 March 2012.	180 FTE's
	Ensure the number of working days lost due to sickness absence does not exceed...	5.0 days
	Agency finance – Make further efficiency savings. Deliver financial performance in line with Business Plan. Management System Certification back into breakeven by March 2012 on a full cost basis.	£200k Break-even

Measures applicable to all Motoring Agencies

Category	Measure	Objective
Operational	Payment of invoices within 5 working days.	80%
	FOIs Provide response within 20 working days.	93%
	PQs Provide response within due date.	85%
	MPs' correspondence Provide response within 7 working days.	85%
	Official correspondence Provide response within 20 working days.	80%
	<p>Deliver the eight Customer Promises:</p> <ul style="list-style-type: none"> • 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. • 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 have policies and procedures that support the right of all customers to expect excellent levels of service. 	<p>90% / 10 days</p> <p>90% / 10 days</p> <p>70% / 30 seconds</p>

RISKS TO ACHIEVING THE PLAN

- Government spending cuts - in 2010-2011 income from activities from Government is expected to be 30% (£4.3m) of overall income. In 2011-2012 this is expected to fall by 19% (£800k) to 25% (£3.5) of total income. Within the plan VCA has assumed broadly the same level of overall income as in 2010-2011 with the shortfall being covered by projected increases in Type Approval and MSC income. The risk is that these increases are not achieved with resulting impact on VCA's financial targets and plans.
- The VCA market sector is susceptible to commercial changes, business and economic cycles and exchange rate fluctuations. The global automotive industry is evolving and highly competitive.
- Some overseas territories currently operate outside the World Trade Organisation rules and guidelines, placing additional competitive pressures and uncertainty on the industry.
- VCA costs and revenues are subject to exchange rate fluctuations, which can have a short term impact on the financial performance of the Agency. VCA is unable to mitigate this by hedging, but does manage the flow of cash to and from overseas locations and by matching local spend with local income whenever possible to minimise this risk.
- Exchange translation risk – at the 31 March each year debtors, creditors and cash balances are translated into sterling at the exchange rate on that day. Any movement between this and the prior year's valuation due to a movement in exchange rates gives rise to a loss or gain.
- Loss of key personnel and timely recruitment.
- VCA's control and risk management is continuously improving to counter the risks inherent in the financial forecasts. Should any of the risks impact significantly then VCA's financial forecasts may not be achieved. The VCA Audit Committee chaired by a Non-Executive director reviews the risks identified by the Agency regularly and reports on the governance process.

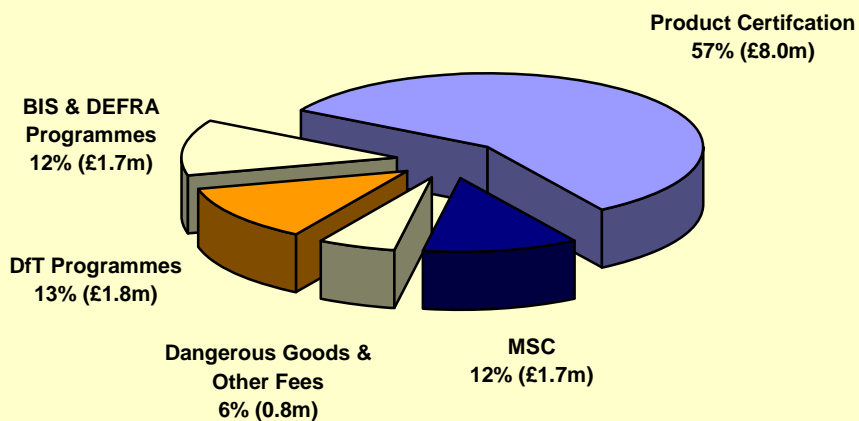
GLOSSARY

BIS	Department for Business Innovation and Skills
CESG	UK National Technical Authority on Information Assurance
CMS	Compliance Management System
CoP	Conformity of Production
CRM	Customer Relationship Management
DEFRA	Department for Environment, Food and Rural Affairs
DfT	Department for Transport
DGD	Department for Transport – Dangerous Goods Division
EMS	Environmental Management Systems
EU	European Union
EWVTA	European Union Whole Vehicle Type Approval
ELV	End of Life Vehicles Regulations 2003 and 2005
FTE's	Full Time Equivalents
GeMS	Global e- Management System
IAO	Information Asset Owner
ICT	Information and Communications Technology
IVA	Individual Vehicle Approval
KSI	Road Killed and Seriously Injured
M1	Vehicles designed and constructed for the carriage of passengers and comprising no more than eight seats in addition to the driver's seat.
M2	Vehicles designed and constructed for the carriage of passengers, comprising more than eight seats in addition to the driver's seat, and having a maximum mass not exceeding 5 tonnes e.g. Minibuses
M3	Vehicles designed and constructed for the carriage of passengers, comprising more than eight seats in addition to the driver's seat, and having a maximum mass exceeding 5 tonnes e.g. Coaches.
MSC	Management Systems Certification
N1	Vehicles designed and constructed for the carriage of goods and having a maximum mass not exceeding 3.5tonnes
N2	Vehicles designed and constructed for the carriage of goods and having a maximum mass exceeding 3.5 tonnes but not exceeding 12 tonnes
N3	Vehicles designed and constructed for the carriage of goods and having a maximum mass exceeding 12 tonnes
NRMM	Non Road Mobile Machinery
O1	Trailers with a maximum mass not exceeding 0.75 tonnes
O2	Trailers with a maximum mass exceeding 0.75 tonnes but not exceeding 3.5 tonnes
O3	Trailers with a maximum mass exceeding 3.5 tonnes but not exceeding 10 tonnes
O4	Trailers with a maximum mass exceeding 10 tonnes
OGC	Office of Government Commerce
QSC	Quality Management Systems
RFD	Recast Framework Directive (for European Union Whole Vehicle Type Approval)
SD	Sustainable Development
SIRO	Senior Information Risk Officer
SMEs	Small and Medium Sized Enterprises
TA	Type Approval
TAMS	VCA Type Approval Management System.
IVS	Department for Transport – International Vehicle Standards Division
UN	United Nations
UNECE	United Nations Economic Commission for Europe
UNESCO	United Nations Economic and Social Committee
VED	Vehicle Excise Duty
VOSA	Vehicle and Operator Services Agency
VSO	Vehicle Special Orders under the Road Traffic Act 1988 Section 44
VT	Virtual Testing
WEEE	Waste Electrical and Electronic Equipment

FINANCIAL FORECASTS 2011-12

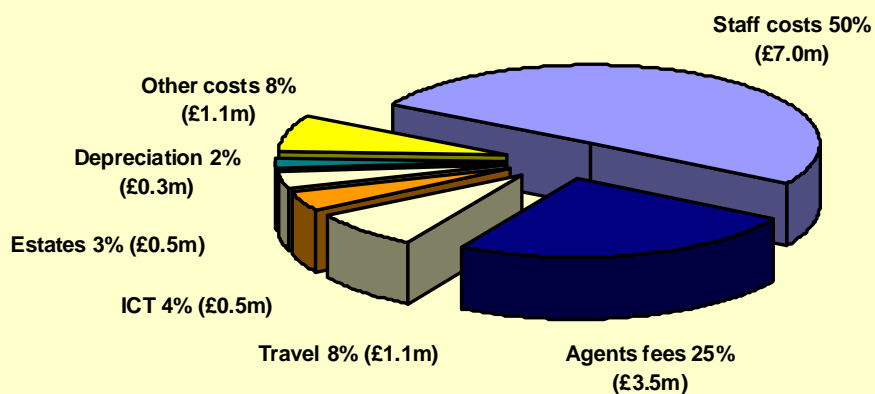
FORECAST INCOME BY CATEGORY

Total £14.0m

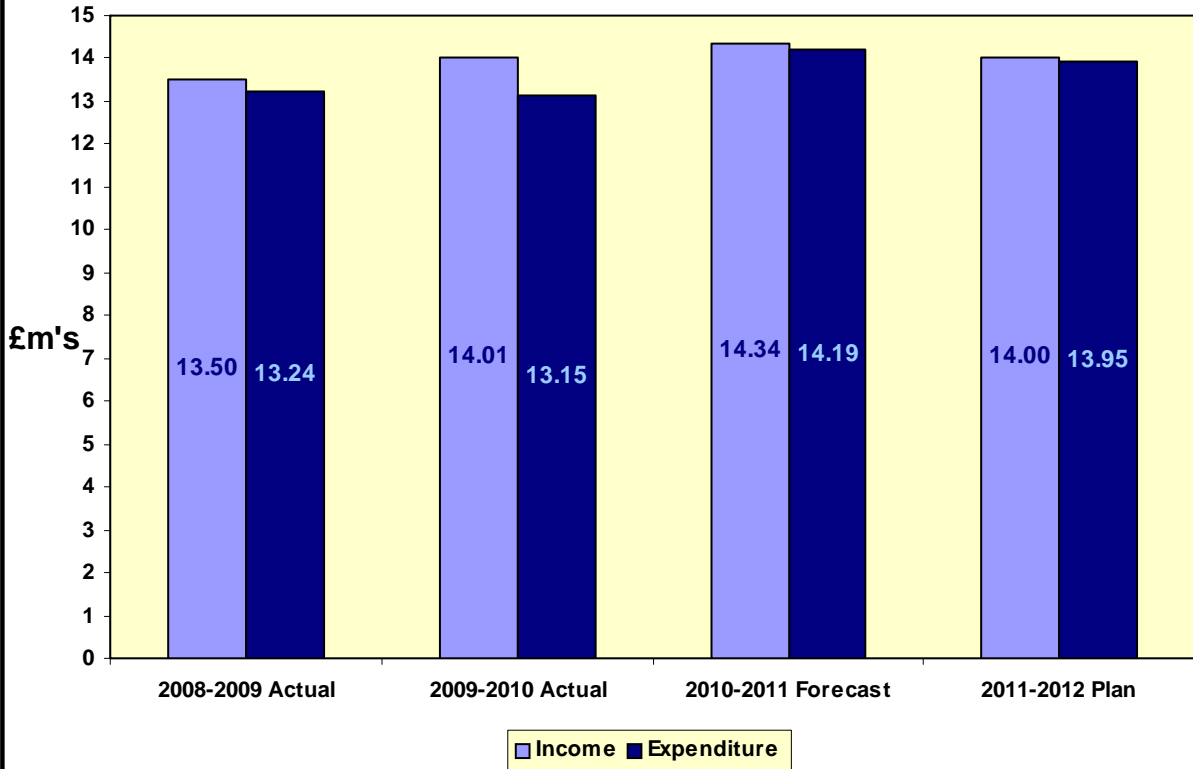


FORECAST SPEND BY CATEGORY

Total £13.95m



TOTAL INCOME AND EXPENDITURE



STAFFING LEVELS FTE's

