



Vehicle
Certification
Agency

2016-2017

Vehicle Certification Agency Business Plan

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CHIEF EXECUTIVE'S FOREWORD

Welcome to the Vehicle Certification Agency (VCA) Business Plan for 2016-17. It sets out our aims and commitments for the coming year. It will build on continued strength of performance, ensuring that VCA meets a wide range of performance targets. Our core aim is to improve vehicle safety and environmental protection by providing vehicle and component testing, certification, information and other related services.

During September 2015, revelations that the VW Group had employed 'defeat devices' in some of their vehicles to beat exhaust emissions tests had a significant impact on authorities across the globe and VCA was no exception. Like other Governments, the UK moved quickly to understand the extent of the issue and VCA has played a significant role in supporting this response. Doing so has involved a considerable re-deployment of resources to give this work the priority it deserves and this will continue for as long as is necessary. The actions of the Government will continue to be guided by the over-riding principle of reassuring consumers.

In the autumn of 2015 a Motoring Services Strategy consultation exercise was launched and this asked a number of questions about the services delivered by VCA and the way in which we deliver them. A key part of the coming year will be to respond to the outcomes from the exercise in whatever form they might take.

In the meantime we will continue to build on our core services of vehicle type approval, management systems certification and certification of packaging used in the transport of dangerous goods.

VCA revenues have grown throughout 2015-16, especially in our UK and Southern Europe and Turkey operations, to the extent that we have been able to largely offset the reduction in the work for Government lost in 2014-15, and we are forecasting further growth in this next financial year as the respective operations in India and Brazil mature.

Meeting the needs of a globally dispersed industry presents challenges and over time VCA has adapted to these; we will continue to do so. As part of this challenge we will review and evolve our digital platform, to ensure that as much as possible it supports efficient working practices and contributes to the quality ethos that underpins everything we do. This quality ethos will be further underpinned by our plan to achieve ISO 17025 and 17020 accreditation during the 16/17 financial year.

In addition, and like many organisations across Government, we will be responding to the challenges of the spending review, ensuring that we build on existing efficiencies to deliver more with less.

This will be a challenging year but I am confident that we will continue to show VCA as an organisation that is performing to the highest standards in the delivery of our core functions.

PAUL HIGGS
Interim CEO, VCA

WHO WE ARE AND WHAT WE DO



Vehicle Certification Agency

- 1.1** The Vehicle Certification Agency (VCA) is an Executive Agency of the Department for Transport (DfT), part of the Road, Traffic and Local Directorate, through which VCA receives its corporate sponsorship. VCA performs a number of core activities:

Vehicle Type Approval

- 1.2** 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.

VCA takes its policy lead from DfT, through the International Vehicle Standards Division (IVS), part of the Energy, Technology and International, Directorate. Some environmental policy lead comes from the Office for Low Emissions Vehicles (OLEV). VCA Chairs the DfT Vehicle Technology Forum, working with policy colleagues, other DfT agencies and the Chief Scientific Advisors Unit. This group shares knowledge, understanding and experience of emerging technologies with a view to developing a common understanding and approach.

Conformity of Production (CoP)

- 1.3** This is an integral and essential part of the type approval process and approval cannot be issued without adequate CoP procedures being in place. CoP provides confidence to industry, government and consumers that a given product is manufactured in accordance with the approved specification.
- 1.4** The process involves the evaluation of manufacturing processes to ensure that each product is manufactured in accordance with the approved specification. Ongoing conformity is assessed throughout the manufacturing life of a product. This will involve site visits and reviewing records. Where evidence of non-compliance is discovered, this will be rigorously investigated and the appropriate steps taken to return the manufacturing process to conformity.

Management Systems Certification

- 1.5** Having effective management systems is an important part of the vehicle, system and component production process. Because of this, VCA is a Management Systems Certification (MSC) body and this activity is complementary to our Type Approval function. Specialising in the automotive sector, we have been able to utilise our significant expertise in the engineering, manufacturing and production fields. VCA is

unique in terms of being a combined Type Approval Authority, Technical Service, and Management Systems Certification body.

Certification of Dangerous Goods Packaging

- 1.6** VCA administers the operation of a scheme for the approval and packaging 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. The requirements for approved packaging are put into effect by separate Statutory Instruments.

Civil Traffic Enforcement

- 1.7** Building on core experience, VCA provides a certification service to local authorities who wish to operate bus lane and parking enforcement camera systems. This involves the evaluation of Technical Construction Files (TCFs) to assess compliance with the relevant requirements, with the ultimate aim of ensuring the integrity of evidence gathered using such systems. This service has recently been extended to cover authorities in Wales and the Highway Agency's Thames Link Crossing at Dartford.

Data Provision

- 1.8** VCA collects and publishes CO₂ emissions data for new cars, underpinning the Vehicle Excise Duty and Company Car Tax schemes. Accessed through GOV.UK, the data tools continue to be popular with consumers, with around 2.4 million users over the last year alone. This supports Government's strategic drive towards reducing CO₂ emissions by helping consumers to make low carbon choices.

PLANS FOR 2016-17



Recent years have seen ambitious delivery plans and 2016-17 will continue in the same vein and in pursuit of the challenges to deliver high quality services to industry, providing confidence to consumers and value for money to the taxpayer.

The table at 2.4 highlights the main objectives that VCA has agreed with the Department for Transport for 2016-17. The following sections explain in more detail the specific actions we will take to deliver against those objectives.

Changing our Agency

2.1 Continue to take forward the Government Digital Strategy

Detailed plans are outlined later in this document but in essence, our schedule for 2016-17 includes two key objectives. The first is to move to a Cloud-based hosting for applications and services. The second is to conduct an end-to-end review of the vehicle type approval process to establish if there is further potential to enhance the service with digital tools and services. This review will inform future strategy.

2.1.1 Transition to the cross-Government identity

During the 2016-17 financial year, VCA will move to the cross-Government identity instead of the current logo. This will be a significant undertaking, considering that VCA certificates and test reports are used to market products all over the world.

Our services

2.2 Continue to grow core product lines to meet cost recovery objective

The automotive industry has seen significant growth over recent years, turning over some £69.5 million in 2014 in the UK alone. VCA has a key part to play in supporting industry in the UK and overseas to get through the approval process, which in turn provides confidence to the consumer. Ultimately growth will enable us to continue to meet our full cost recovery objective.

Product Certification

VCA continues to see growth in demand for core certification services. This growth is expected to come from UK and Southern European markets as well as the maturing operations in India and Brazil. Growth in Brazil particularly will be driven by the recent appointment of VCA as a Technical Service to the environmental public body, IBAMA. This move will mean that VCA will be able to provide certification to local standards. Markets such as China have experienced economic

difficulties resulting in a slowing of projected approval growth, however, the China operation continues to be a valuable component of our overall service offering.

Management Systems Certification

We continue to grow our activities in this area despite the fact that the market is a very competitive one. Specialising in the automotive sector allows us to bring our significant experience of the sector to the table and customers value this insight. The function is very much complementary to the type approval process, which has the concept of conformity of production (CoP) at its heart. CoP is the process of ensuring that procedures are in place to ensure that products are ultimately manufactured in compliance with an approval. Gaining formal management systems certification can support this process.

Quality

VCA currently works to the principles of ISO 17020 (requirements for the competence of bodies performing inspections) and ISO 17025 (requirements for the competence to carry out tests and/or calibrations). In 2016-17 we will seek to gain formal accreditation against the requirements of ISO 17025 for a limited scope in our Midlands Centre facility. Following on from the successful accreditation to ISO 17025, VCA will look to gain accreditation to ISO 17020 initially in the UK and then extend to global offices.

Finance and Efficiency

2.3 Finance

We have targeted to make a modest surplus of £100k and we are confident that growth, coupled with prudent efficiencies will deliver this. A surplus in this order would be an excellent result, bearing in mind the loss of significant Government work at the start of the 2015-16 financial year. We had forecast to breakeven in 2016-17 as a result of this, so being able to return a surplus would be a significant achievement.

2.3.1 Efficiencies

Like other organisations across Government, VCA has responded to the challenges of the 2015 spending review. As a result of this, VCA has committed to efficiency savings of at least £420k in the 2016-17 financial year. The efficiency savings will comprise of increased revenue for services provided and a continued focus on ensuring the efficiency of staff, building on the success delivered in previous years.

We will also look to consolidate our ICT contracts to deliver better value for money through the various Crown Commercial Services frameworks as and when existing contracts expire.



2.3.2 Workforce



The FTE staff figure for 2016-17 will not exceed 213. The slight increase over 2015-16 recognises the need to grow frontline staff to meet the current and projected workload. A lot of work has been done to ensure that staff work as efficiently as possible but ultimately income is projected to increase by the end of 2016-17. For an organisation that essentially charges for staff time, this increase equates to higher numbers of frontline staff.

However, there are no projected increases in back office functions and we will continue to work on improving efficiency across the organisation to ensure that we align ourselves as much as possible with best practice across the Department for Transport.

Over recent years we have made significant inroads into reducing the average number of working days lost to sickness. In 2014-15 we managed to return to the agreed target level of 7.5 days and in 2015-16 the figure was closer to 5 days against a target of 7. Working environment and wellbeing continue to be high on the agenda of the organisation and this will no doubt be a contributing factor to the improvements made.

2.4 2015-16 Key Performance Measures

Category	VCA measure	In 2016/17
1. Changing our agency 	1.1 Actively progress the Government ICT and Digital strategies by using ICT to commence delivery of a wide ranging programme of change, including : <ul style="list-style-type: none"> moving key business application services from on-premise to the Cloud reviewing the end-to-end Type Approval processes and delivering digital applications that fully integrate with back office functions and are compliant with GDS standards establishing opportunities for service and data sharing with the wider DfT group 	31/12/2016 31/03/2017 30/06/2016
	1.2 Agree an implementation plan with the Motoring Services Board to take forward the recommendations of the Motoring Services Strategy Consultation; and to respond to the Government's Emissions Test Programme and the UK Policy development on emissions testing.	30/09/2016
	1.3 Transition VCA branding to DfT/Government formatting across the Agency.	31/12/2016
2. Our services 	2.1 Type Approval certificates issued within 10 working days of the completion of technical clearance.	88%
	2.2 Audited test reports deemed to have no critical defects.	99%
	2.3 100% of new Type Approval clients that do not hold a suitably accredited ISO 9001/TS16949 certificate, or a suitable compliance statement shall be subject to a Conformity of Production audit prior to TA issue. 100% of existing type approval clients that do not hold a suitably accredited ISO 9001/TS1 6949 certificate will be subject to ongoing surveillance audits, the frequency of these audits will be in accordance with VCA risk based process. For type approval clients that do hold a suitably accredited ISO 9001/TS1 6949 certificate, the status of these clients will be reviewed for ongoing conformity of production over the normal cycle of certification, typically 3 years.	100%

	For VCA Type Approvals, where evidence of a failure to control conformity of production is identified, VCA will in all cases commence an investigation within 10 working days.	
	2.4 Maintain the customer satisfaction survey score, if possible improve over the current levels	90%
3. Meeting customer needs 	3.1 Prompt payment - Payment of invoices within 5 working days.	80%
	3.2 Freedom of Information – Provide a response within 20 working days.	93%
	3.3 Parliamentary Questions – Provide a response by the due date.	100%
	3.4 Other Parliamentary Correspondence – Provide a response within 7 working Days.	100%
	3.6 Official Correspondence – Provide a response within 20 working days.	80%
4. Financial responsibilities 	4.1 Agency Finance - Deliver financial performance in line with the 2016-17 Business Plan.	£100k Surplus 31/03/2017
	4.2 Workforce - FTE staff numbers as at 31st March 2017 will not exceed 213.	213 FTE
	4.3 Sick Absence - Ensure average number of working days lost to sickness absence does not exceed 7 days per FTE.	7 Days

DELIVERING THE PLAN



3.1 Human Resources

VCA Human Resources (HR) will continue to provide people processes, aligned to wider Government HR strategy and underpinned by the Civil Service core values.

To meet the various challenges that we face, we need staff who have the right skills and capabilities at the right time. To achieve this we will continue to develop our skills and expertise to strengthen our own capability in areas such as leadership, people management, project delivery and digital to successfully deliver the Government's challenging transport agenda. Our goal is to develop strong, capable and effective line managers and grow leaders who can effectively lead the organisation through change.

We will support a learning culture where everyone has fair and equal access to the right development opportunities and invest into the Agency's succession planning to develop and equip all our people with the knowledge, skills and behaviours to effectively perform in their roles, both now and in the future. We would like our people to be in control of fulfilling their own potential, able to shape their opportunities and drive their personal learning and development.

3.2 During 2016-17 we will:

Continue our successful graduate development programme, recruiting high calibre engineering graduates, and training them through the Institution of Mechanical Engineers accredited Monitored Professional Development Scheme (MPDS), supporting a fast track route to becoming Chartered Engineers.

Develop an apprenticeship initiative involving both internal and external stakeholders as part of a wider DfT scheme. We will evaluate suitability of each vacant role for the apprenticeship scheme, before advertising it for a wider audience. We will work closely with each apprentice to provide them with the best workplace experience and the finest skills set to secure their long term career in the Agency.

In recent years, the VCA has seen an increase in the average number of working days lost to sickness. However, in 2015-16 the number of days lost has reduced significantly. We anticipate maintaining low absence levels and we are confident that we can provide an excellent working environment for our staff, where they are fully supported to deliver first class services to our customers.

3.3 Diversity

VCA values and 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.

VCA's Diversity Champion will provide leadership on diversity and inclusion across the whole of the VCA, in particular work to:

Tackle barriers to progression within the organisation for members of under-represented groups;

Address the gender imbalance between junior and senior roles across the organisation;

Harness the cultural diversity of VCA's overseas offices to foster an inclusive environment that is respectful and positive in its partnerships with diverse cultures.

3.4 Estates

VCA leases its headquarters building in Bristol, land at the HORIBA/Mira site for the Midlands Centre as well as an office for the Dangerous Goods activities in Leatherhead, adjacent to testing facilities. The overseas offices are all leased.

The lease on the headquarters building in Bristol has been extended for a further five years with a three year lease break. We will refurbish the HQ offices to achieve a safe, secure and user friendly environment, which will also enable us to move towards achieving our sustainability targets.

We will continue working with the DfT to explore potential sites that are suitable for our long-term business requirements, and align with the Government Property Services Strategy to support Ministerial targets relating to vacating leased premises.

3.5 Digital Service Delivery

During 2016/17 we will look to augment our existing online services, improving customer service and building on efficiencies. We will:

- Move key application services from on premise to the Cloud;
- Conduct an end to end review of the type approval process to establish if existing services can be enhanced by digital applications; and
- Collaborate with the wider DfT group to establish the potential for service and data sharing.

3.6 Information Services

The ICT function within VCA provides infrastructure support, Help Desk services and IT Security. Plans for 2016/17 are ambitious and include:

- Supporting the key deliverables outlined above;
- Development and implementation of an overarching strategy to ensure that there is a robust infrastructure in place to support the organisation going forward, unifying platforms where possible;
- Building on existing efficiencies by consolidating support contracts and suppliers;
- Continuing to provide Information Assurance to VCA and DfT Senior Information Risk Officers;
- Improving support for mobile working; and
- Supporting the complete rollout of an Enterprise Content Management system across the organisation.

ANNEX



Financial forecast	Forecast Outturn 2015-16 £ '000	Business Plan 2016-17 £ '000
Statutory fee income	14,729	15,373
Commercial fee income	2,000	2,100
Other income	1,995	1,687
Total income	18,724	19,160
Staff costs	(9,312)	(9,802)
Travel & Subsistence	(1,508)	(1,571)
Agents fees	(4,543)	(4,890)
ICT charges	(803)	(809)
Accommodation	(725)	(707)
Consultancy and Professional Services	(200)	(307)
Postage and printing	(84)	(79)
Depreciation	(463)	(463)
Other costs	(685)	(432)
Total expenditure	(18,323)	(19,060)
Net Operating (cost)	401	100

ANNEX



Volume forecast

Transaction description		Forecast outturn 2014-15	Forecast outturn 2015-16
Type Approval	Whole Vehicle Type Approval Certificates/Test Reports issued.	1,601	2,300
	Systems and Components Type Approval Certificates/Test reports issued.	11,243	20,500
	Commission Notice Applications processed.	3,330	6,400
Technical Support to the Automotive Industry	Average number of technical questions per month from internal and external customers -	55	50
	Through the VISTA information system, VCA supports industry in keeping up to date with legislative requirements –		
	Documents published in VISTA –	100	224
	Pages authored in VISTA –	4,664	3,366

ANNEX



Workforce Forecasts		March 16	March 17
Workforce FTEs	Total VCA FTE's	204	213
	Front Line FTE's	179	189
	Back Office FTE's	25	24