



Vehicle
Certification
Agency

2017-2018

Vehicle Certification Agency Business Plan

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CHIEF EXECUTIVE'S FOREWORD

Welcome to the Vehicle Certification Agency (VCA) Business Plan for 2017-18, my first as incoming CEO. This plan sets out our aims and commitments for the coming year, building on our past performance and ensuring that VCA meets a wide range of performance targets.

2016 was a busy year for many reasons, not least because it saw demand for certification increase across the organisation.

In addition to this we responded to some of the challenges outlined in the Motoring Services Strategy, published in May 2016. One such challenge was to look at activities that might be conducted outside of Government and with that in mind; we supported a competition to identify a buyer to take on the non-statutory Management System Certification services carried out by VCA. A buyer has been found and the transition process is ongoing to ensure continuity for existing certificate holders. In addition to this we have conducted a review to establish if there are further efficiencies to be realised by building on our existing digital platform and this work will continue into 2017/18.

Supporting the Government's response to the VW Exhaust Emissions issue also involved considerable re-deployment of resources during the latter part of 2015 and during 2016. VCA played a significant role in the resulting test programme to understand the extent of the issue and we continue to support the wider market surveillance process to assess the ongoing compliance of vehicles across the automotive industry.

During 2017/18 we will continue to build on our core services of vehicle type approval and the certification of packaging used in the transport of dangerous goods; we forecast modest growth in the demand for core certification during 2017/18. We will also further respond to the challenges posed by the Department's Motoring Services Strategy and this will inform our operating strategy going forward.

2017/18 looks set to be another busy year but I am confident that we will continue to deliver against our core aim of improving vehicle safety and environmental protection through the rigorous application of internationally agreed standards.

In concluding I would like to take a moment to recognise the dedication and commitment of my predecessor, Paul Higgs, who has worked tirelessly to drive the Agency forward when taking the helm as Interim CEO in April 14.

PIA WILKES
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, Devolution and Motoring Directorate, through which VCA receives its corporate sponsorship.

The Government has made it very clear the UK will leave the European Union. Ensuring that new arrangements work and are effective is a crucial priority for the Government. It has also been said that, upon exit, EU law will be converted into UK law. This will include some EU legislation that governs functions managed by VCA. The Agency will therefore work closely with partners in Whitehall to ensure that the functions and processes operate efficiently after we leave the EU. This Agency will ensure that the necessary policy and delivery resources are devoted to any new systems and legislation and implications of EU withdrawal are considered in ongoing business planning.

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 Innovation, 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.

- 1.5** VCA recognises the importance of a robust regime which ensures that all new vehicles are safe, reliable and deliver the expected environmental performance. Where concerns of non-conformity are raised through non-CoP related activities such as “whistle blowing” VCA will take all reasonable actions to verify the non-conformance and where necessary take action to bring the vehicle or component back into conformity; and where appropriate work with other agencies to ensure product remains in conformity. VCA is clear that non-complaint vehicles should not be produced and where this occurs the manufacturer should rectify at the earliest opportunity.

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 2017-18



Recent years have continued to see growth in demand for core certification services and this is forecast to continue.

The table at 2.4 highlights the main objectives that VCA has agreed with the Department for Transport for 2017-18. 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 2017-18 continues to include two key objectives. The first is to continue to move to a Cloud-based hosting for applications and services. The second is to implement the findings of an end-to-end review of the vehicle type approval process, which was aimed at establishing further potential to enhance the service with digital tools and services.

2.1.1 Motoring Services Strategy

During the 2017-18 financial year VCA will work with DfT on the Motoring Services Strategy implementation plan. This work will help to inform further strategy.

Our services

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

VCA has a key part to play in ensuring that vehicles and their systems and components meet internationally agreed standards, which provides confidence to the consumer. Growth for our services in this area has increased over recent years and modest further increases are forecast for 2017-18. This will help to ensure that we continue to meet our full cost recovery objective.

Product Certification

Projected growth in this area is expected to come from UK and Southern European markets as well as our continually maturing operations in India and Brazil. Growth in Brazil particularly will be driven by the appointment of VCA as a Technical Service to the environmental public body, IBAMA. This means that VCA will be able to provide certification to local standards.

Management Systems Certification

During 2016/17 a competitive exercise was carried out to identify a private sector organisation to take on this non-statutory activity. Formal contracts with the successful

bidder have been signed and the migration of existing certification will be complete during the early part of the 17/18 financial year.

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). Excellent progress has been made towards gaining formal accreditation against the requirements of ISO 17025 for a limited scope in our Midlands Centre facility and this will continue in 2017-18. 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 forecast that growth, coupled with prudent efficiencies will deliver this.

2.3.1 Efficiencies



Like other organisations across Government, VCA has responded to the challenges of the 2015 spending review. We continue to make good progress against our efficiency targets and this work will continue in 2017-18.



2.3.2 Workforce

The FTE staff figure for 2017-18 will not exceed 217. The slight increase over 2016-17 recognises the need to grow frontline staff to meet the current and projected workload. For an organisation that essentially charges for staff time, this increase equates to higher numbers of frontline staff.

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.

2.4 2017-18 Key Performance Measures

Category	VCA measure	In 2017/18
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"> • Begin the process to move our website and 'carfueldata' services to the Cloud • Implement the findings from the review of the end-to-end Type Approval processes and delivering digital applications that fully integrate with back office functions. 	31/03/2018 31/03/2018
	1.2 Agree an implementation plan with the Motoring Services Board to take forward the recommendations of the Motoring Services Strategy.	31/03/2018
2. Our services 	2.1 Type Approval certificates issued within 10 working days of the completion of technical clearance.	92%
	2.2 Audited test reports deemed to have no critical defects.	99%
	2.3 Conformity of Production (CoP) – <ul style="list-style-type: none"> • All new Type Approval certification applicants that do not hold suitably accredited quality certification (ISO 9001/TS16949), or a suitable compliance statement will be subject to a CoP audit before type approval certification will be issued • All existing type approval certificate holders that do not hold suitably accredited quality certification (ISO 9001/TS1 6949) will be subject to ongoing surveillance audits, the frequency of which will be in accordance with the agreed VCA risk based approach • For type approval certificate holders that do hold a suitably accredited quality certification (ISO 9001/TS1 6949), the status of these clients will be reviewed for ongoing conformity of production over the normal cycle of certification, typically 3 	100%

	<p>years, or sooner if necessary</p> <ul style="list-style-type: none"> For VCA Type Approvals, where evidence of a product being produced is out of conformity, VCA will initiate an investigation within 10 days, to understand the root cause of the failure and work with the manufacturer to quickly introduce preventive and corrective action with agreed timescales in accordance with the relevant regulation or directive and in any case as soon as possible. Where the manufacturer refuses or cannot bring the vehicle back into conformity the VCA will take action to withdraw the approval 	
	2.4 Maintain the customer satisfaction survey score, if possible improve over the current levels	90%
	2.5 Support the Department of Transport and DVSA in the delivery of the Government's Market Surveillance Test Programme	31/03/2018
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%
	3.5 Official Correspondence – Provide a response within 20 working days.	80%
4. Financial responsibilities 	4.1 Agency Finance - Deliver financial performance in line with the 2017-18 Business Plan.	£100k Surplus 31/03/2018
	4.2 Workforce - FTE staff numbers as at 31st March 2018 will not exceed 217.	217 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 that 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.

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.

We will finalise the implementation of the HR system which will underpin the activities of the Agency, i.e. managing budgets, recruitment, succession planning, talent management, workforce planning, etc. We will be also upgrading our electronic time recording system to fully support more flexible working arrangements for our staff.

3.2 During 2017-18 we will:

- Improve our Resource Planning to ensure we more accurately predict where and when our resources are needed and what skills are required of them
- Create succession plans for all critical posts and ensure ready successors are identified, developed and attraction strategies put in place when required
- Invest in developing our people to ensure that they are able to meet their potential and strengthen our business capability
- Further develop our recruitment and retention strategies to attract the best people; this includes the ongoing support of our successful Graduate Engineer recruitment programme, recruiting high calibre engineering graduates, training them through the Institution of Mechanical Engineers accredited Monitored Professional Development Scheme (MPDS) and supporting a fast track route to becoming Chartered Engineers

- Continue to encourage our staff to identify with an Operational Delivery Profession to support further clarity around career development
- Continue to focus on the recruitment of operational delivery staff to ensure that resources are in place to meet our statutory obligations and support key Department aims
- Increase line manager capability across all areas and grades; embedding strong leadership and management skills throughout the organisation and building confidence in giving feedback, discussing performance and supporting career development as well as effectively leading the organisation through change
- 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

3.3 Wellbeing

We believe that using a flexible people management approach motivates and creates an environment that enables all VCA staff to be productive.

We will continue to drive forward our Wellbeing Strategy – aiming to identify and reduce work-related stress, support staff to deal with mental health related issues, promote exercise and activity and allow greater flexibility with working patterns to help our people achieve the right work/life balance. We will be working closely with our Employee Assistance Programme, charities and internal networks to assist us with achieving our objective.

We will provide safe and comfortable working environment for our staff, where they are fully supported to deliver first class services.

3.4 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.

3.5 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 was extended in 2016 for a further five years with a three year lease break. In view of this we have carried out some refurbishment work to achieve safe, secure and user friendly environment, which will also enable us to move towards achieving our sustainability targets. The refurbishment work will remain our focus through 2017-18.

We will continue working with DfT to secure a Total Facilities Management Contract to realise our efficiency savings.

We will be also exploring options to renew our pool cars with the intention of introducing more sustainable electric vehicles.

3.6 Digital Service Delivery

During 2017/18 we will look to augment our existing online services, improving customer service and building on efficiencies. We will:

- Continue to move key application services to the Cloud; and
- Implement the findings from the review of the end-to-end Type Approval processes and delivering digital applications that fully integrate with back office functions

3.7 Information Services

The ICT function within VCA provides infrastructure support, Help Desk services and IT Security. Plans for 2017/18 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 2016-17 £ '000	Business Plan 2017-18 £ '000
Statutory fee income	15,895	16,809
Commercial fee income	1,845	0
Other income	2,113	1,939
Total income	19,853	18,748
Staff costs	(10,028)	(10,100)
Travel & Subsistence	(1,624)	(1,571)
Agents fees	(4,921)	(4,520)
ICT charges	(828)	(809)
Accommodation	(693)	(707)
Consultancy and Professional Services	(200)	(200)
Postage and printing	(81)	(79)
Depreciation	(485)	(463)
Other costs	(393)	(200)
Total expenditure	(19,253)	(18,649)
Net Operating (cost)	600	99

ANNEX



Workforce Forecasts		March 17	March 18
Workforce FTEs	Total VCA FTE's	213	217
	Front Line FTE's	189	193
	Back Office FTE's	24	24