



Vehicle
Certification
Agency

2019-2020

Vehicle Certification Agency Business Plan

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NON-EXECUTIVE CHAIR'S INTRODUCTION

It is a great pleasure to introduce the 2019-20 Business Plan for the Vehicle Certification Agency (VCA), my first as its Non-Executive Chair. That said, having transitioned from a Non-Executive role within the organisation I am already very well aware of the vital service it provides to UK industry and the high regard in which it is held across a broad spectrum of stakeholders.

The plan outlines areas that the VCA will focus on over the coming year, many of which build on the solid foundations of recent work. Central to this will be our response to the opportunities and challenges presented by a rapidly evolving technology landscape. The Government has ambitious aims to secure the UK's position at the forefront of change, particular in the field of vehicle autonomy. As the certifying agency for the UK, VCA will play a pivotal role by working with stakeholders across a range of disciplines to develop policies for autonomous vehicles as they progress through their introduction. I very much share the senior management teams' excitement and enthusiasm for this and look forward to utilising my personal insights and experience in this field to help them deliver their objectives.

Of course, key to delivering an ambitious programme of work is ensuring that the organisation continues to invest in its people and I'm pleased to note great progress here and I feel sure that this will continue into the coming financial year. This will be particularly relevant in ensuring that we have the right skills in place to support change, not just in areas such as vehicle autonomy but also in terms of alternative powertrains and general advances in technology. The VCA's existing subject matter experts will need to continue to develop their knowledge and new skills will be needed in complex electronics, software, and battery technologies.

Programme governance is another area in which I am pleased to note progress and this has helped to get excellent rigour into our projects; we will build on this going forward to ensure that we work as efficiently and effectively as possible in whatever we strive to deliver.

I feel sure that the coming year will be another busy one and I look forward to helping our CEO, Pia Wilkes, and the rest of the senior management team to meet the challenges ahead, building on the great leadership they have demonstrated over recent years.

Clive Scrivener
Non-Executive Chair

CHIEF EXECUTIVE'S FOREWORD

Welcome to the Vehicle Certification Agency (VCA) Business Plan for 2019-20.

Demand for our core type approval certification services has remained high over recent years and this continued to be the case during 2018-19. This has been fueled by a number of factors, including recent changes to exhaust emissions standards, aimed at driving down pollutant levels and providing consumers with comparable test data that is more representative of what they will experience on the road.

Another key factor in the continued high demand for our services is quality; it really is at the heart of everything we do. As part of our 2018-19 Business Plan I said we would be seeking formal accreditation to the internationally recognized quality standards, ISO 17025 (requirements for the competence to carry out tests and/or calibrations) and ISO 17020 (requirements for the competence of bodies performing inspection and for the impartiality and consistency of the inspections they carry out). I'm pleased to say that we now have accreditation to ISO 17025 and great progress is being made towards achieving the same for ISO 17020.

It's an incredibly interesting time to be working with the automotive sector. Technology is advancing faster than ever in areas such as alternative powertrains, vehicle connectivity and autonomy. We're at the forefront of technology change, not only assessing the impact on current standards but working to understand how things will operate in the future. During 2019-20, we will continue to work with the Centre for Connected and Autonomous Vehicles (CCAV), policy colleagues and the other motoring agencies to develop effective policies for self-driving vehicles, including starting work on safety assurance for advanced trials of automated vehicles. To support this we are building on our existing capacity and capability to ensure that our people have the skills they need and are at the forefront of current thinking.

2018 was the Year of Engineering and following this campaign aimed at raising awareness of the sector and tackling the skills gap, I'm delighted to say that we are finalising the design of a bespoke Type Approval Apprenticeship scheme. This scheme will be launched in 2019-20 and will not only focus on encouraging more people to look at a career in engineering but also at increasing the number of women and other underrepresented groups in the profession. Encouraging more women to consider an engineering career is something I am particularly passionate about and I hope that the new apprenticeship scheme, coupled with our already successful graduate intake programme will further support this aim.

It continues to be an incredible privilege to lead an organisation that touches the lives of so many people and I look forward to helping it navigate the challenges ahead.

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.

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 the 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).

- 1.3** Automated vehicle technology is becoming ever more sophisticated, and VCA recognises the challenges associated with type approval of complex automated vehicle hardware and software. VCA will continue to work with the Centre for Connected and Autonomous Vehicles (CCAV) and other relevant teams within DfT, and the motoring agencies to develop effective policies for self-driving vehicles, including starting work on safety assurance for advanced trials of automated vehicles.

- 1.4** 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)

- 1.5** This is an integral and essential part of the certification process and approval cannot be granted 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 and that ongoing compliance is assured.

- 1.6** 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 manufacturing 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.

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 investigate 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 only fully compliant vehicles are offered for sale. Where non-conformance occurs, the manufacturer should rectify any issues at the earliest opportunity, in accordance with the relevant provisions of the type approval framework directive. Where a manufacturer cannot, or will not take the necessary steps to bring products back into conformity, VCA may suspend Conformity of Production status, which would have the effect of halting production. Ultimately steps may be taken to withdraw an approval, in accordance with the type approval framework directive.

Market Surveillance

- 1.7** The Government is committed to enforcing vehicle safety and environmental standards. It has established a Market Surveillance Unit in the Driver and Vehicle Standards Agency (DVSA) to check that vehicles and components available on the UK market comply with the legislative requirements to which they were approved.

VCA plays a significant role in providing expert engineering resource to support this work. In recent years the Unit focused on a programme of targeted exhaust emissions testing on cars, light vans, trucks and public service vehicles to ensure that the vehicle manufacturers were meeting the relevant approval standards for vehicles in use. This emissions programme will continue and the Unit will also expand its compliance testing to a wider range of vehicle standards.

Certification of Dangerous Goods Packaging

- 1.8** The VCA also has the Dangerous Goods Office which administers the operation of a scheme for the certification of packaging used 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. The DG Office is also responsible for the appointment of suitable test and inspection bodies to conduct initial and periodic inspections of tanks and pressure receptacles in accordance with the regulation on the carriage of dangerous goods on the road (“ADR”), carriage of transportable pressure equipment TPED and the UK carriage regulations. It also operates a telephone and email enquiry service on behalf of the Department and undertakes several other functions in connection the UN based dangerous goods transport regulations.

Civil Traffic Enforcement

- 1.9** Building on core expertise, 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 also covers authorities in Wales and the Highway Agency's Thames Link Crossing at Dartford.

Data Provision

- 1.10** VCA collects and publishes fuel consumption, CO₂, noise and regulated pollutant 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 2.5 million users over the last year alone. This supports Government's strategic drive to reduce exhaust emissions by providing consumers with the information they need to make informed choices.

The UK's Exit from the EU

- 1.11** The Motoring Agencies have played a key role in ensuring an orderly Exit from the EU and will continue to do so. They have taken forward a wide range of workstreams to ensure that the UK is prepared for all possible eventualities. This work ensures that essential functions such as driver and vehicle licensing, operator licensing, and vehicle type approval can continue to run smoothly after the UK leaves the EU. The agencies are working closely with each other and across Whitehall to ensure that effective solutions are implemented in these areas.
- 1.12** This plan should be seen as a statement of the agency's plans at the time of publication and, as a result of EU Exit, it should be considered that some resources might need to be reprioritised and work streams adjusted, to meet future changes in demand.

PLANS FOR 2019-20



The table at 2.4 highlights the main performance measures that VCA has agreed with the Department for 2019-20. 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

During 2019-20, upgrades to the Wide Area Network (WAN) will be completed and this will bring about changes to telephony services, providing systems fit for the future and cloud based ICT. VCA will also progress plans to implement Office 365, initially in the UK. Plans will be put in place to roll this out to VCA's overseas office network in due course. Linking this to the wider DfT group will lead to improvements in functionality and efficiencies in the ways of working. In addition, plans formed in 2018/19 for transformation of the website will be progressed in conjunction with an update of the corporate Intranet. This will further improve external and internal communication as well as providing a platform for further enhancements to digital services.

2.1.1 Internal certification process review

In 2018-19 an external review of the processes that support the issuing of type approval certificates took place to ensure that they continue to be robust and fit for purpose. As a result, some potential improvements/efficiencies have been identified and plans will be put in place to implement these during 2019-20.

Our services

VCA has a critical role to play in ensuring that vehicles and their systems and components meet internationally agreed standards, providing confidence to consumers and regulators alike.

2.2 Product Certification Resource

Demand for product certification work remained high in 2018-19. This was primarily fueled by an increase in exhaust emissions testing as industry has sought to complete testing to the new Worldwide Harmonised Light Vehicle Test Procedure (WLTP), which came into effect for newly registered cars in September 2018. The new test is aimed at providing a closer representation of 'real-world' fuel consumption and CO₂ figures. This work will continue as the standard applies to other vehicle categories. Matching resource to demand will continue to be a priority during 2019-20 to ensure that key performance measures are met.

2.2.1 Quality

A quality ethos is at the heart of Agency culture. VCA currently works to the principles of ISO 17020 (requirements for the competence of bodies performing inspections). However, work is now well under way to achieve formal accreditation to this standard in the UK before extending this to global offices. In 2017-18 a commitment was made to obtain formal accreditation against the requirements of ISO 17025 (requirements for the competence to carry out tests and/or calibrations) for a limited scope in our Midlands Centre test facility; this was achieved in 18/19.

Finance and Efficiency



2.3 Finance


The forecast for 2019-20 is to cover costs and breakeven.

2.3.1 Efficiencies

VCA continues to make good progress against agreed efficiency targets and this work will continue in 2019-20.

2.4 2019-20 Key Performance Measures

Category	VCA measure	In 2019/20
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"> • Complete the process of transforming the VCA website. Work will be undertaken in conjunction with the Government Digital Service (GDS) • Complete the implementation of Wide Area Network (WAN) upgrades and telephony system replacement • Move to Office 365 	31/03/2020 30/09/2019 31/03/2020
	1.2 Implement the findings from the review of internal processes that support type approval certification to realise efficiency gains.	31/03/2020
2. Our services 	2.1 VCA Type Approval certificates to be issued no later than 30 working days from the completion of testing and receipt of the final document package (whichever date is later), unless a longer period is agreed to meet a manufacturer's target issue date. Certificate issue is predicated on appropriate Conformity of Production (CoP) arrangements being in place.	85%
	2.2 Externally 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/TS 16949), 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/TS 16949) 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/TS 16949), 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 as soon as possible and no later than 8 days, to understand the root cause of the failure and work with the manufacturer to 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 for Transport and DVSA in the delivery of the Government's Market Surveillance Test Programme.	31/03/2020
3. Financial responsibilities 	4.1 Agency Finance - Deliver financial performance in line with the 2019-20 Business Plan.	Breakeven 31/03/2020
	4.2 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 and the Brilliant Civil Service vision to achieve improved outcomes from effective leaders and skilled people, in a great place to work.

To meet the various challenges that we face, we need effective leaders who are inspiring, confident and empowering; leaders who live our values. 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 draw on links established during 2018 with third party training providers such as ACAS to assist with this development, particularly focusing on appropriate behaviours to ensure that staff and managers are fully equipped with the skills they need.

Vehicle technology is constantly changing and we will focus on continuing to develop our own staff to keep pace with this as well as seeking to grow our capability in areas such as complex electronics and programming.

We will support a learning culture where everyone has fair and equal access to the right development opportunities.

3.2 2018 Year of Engineering and beyond:

Following the 2018 national campaign to increase awareness and understanding of the engineering profession VCA will finalise the design and procurement of a bespoke Type Approval Apprenticeship scheme. The focus will not only be aimed at tackling the engineering skills gap but also increasing the number of women and other underrepresented groups in the profession.

3.3 Wellbeing

VCA is accredited with the Bristol City Council Wellbeing Charter at achievement level in recognition of the work the Agency has been doing in support of the wellbeing of staff. The Charter focuses on three key areas - leadership, culture and communication. It gives the Agency an opportunity to build on the Staff Survey results through evidence-based assessment to find out what we are already doing right and where we need to improve to make our workplace a supportive and productive environment.

We will continue to raise awareness about health issues and will provide information about available resource to support staff to make informed choices whilst encouraging them to enjoy a healthier, balanced lifestyle. We will actively promote workplace policies and initiatives which

encourage positive wellbeing.

We will develop a Wellbeing Strategy aimed at identifying and reducing work-related stress, supporting staff to deal with mental health issues, promoting exercise and activity and allowing greater flexibility with working patterns. We will be working closely with our Employee Assistance Programme provider, local charities and internal networks to assist us with achieving our objective.

There is strong evidence to support the view that having a healthy workforce can reduce sickness absence, lower staff turnover and boost productivity.

3.4 Diversity

We want our staff (and people thinking of making a career with us) to understand why being part of an inclusive organisation benefits them. We want to ensure that every line manager has the skills, knowledge and behaviours they need to build inclusive teams that allow everyone to thrive.

We will achieve this by promoting and addressing the priorities in VCA's Local Inclusion Plan and by mandating the Equality eLearning and providing face to face training delivered by subject matter experts from ACAS. This updated Local Inclusion Plan includes VCA's commitment in supporting the DfT family in closing the gender pay gap. VCA values the 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. We are committed to ensuring that equality and diversity is integral within everything that we do including recruitment, performance management and staff engagement

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;
- Ensure that the action points within the Local Inclusion Plan are regularly reviewed and actioned.

3.5 Estates

We aim to ensure that our estate supports operational delivery and is fit for purpose, sustainable and efficient.

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.

During recent years we have carried out some refurbishment work to ensure that facilities continue to be maintained to a consistent standard and provide a safe, secure and user friendly environment; this work will continue.

To support this we have worked with the DfT to appoint a contractor to embed a Total Facilities Management Contract, which should support further efficiency savings over the previous arrangements.

Sustainability continues to be a key focus for the Agency. Great progress has been made in this area and in fact, VCA has already achieved its 2020 target. A new target has been agreed and we will focus our attention on working towards this. Current building refurbishment has played an important role in supporting this in terms of areas such as upgraded lighting, which is significantly more efficient and the replacement of some of our existing pool car fleet for hybrid vehicles has also had an impact.

3.6 Digital Service Delivery

During 2019/20 we will build on our existing online services, improving customer service and realising efficiencies. We will:

- Progress a Cloud first strategy for new services and migrate existing services to the Cloud; and
- Continue to implement the findings from the end-to-end of Type Approval processes leading to new digital services.

3.7 Information Services

The ICT function within VCA provides infrastructure support, Help Desk services and IT Security. Plans for 2019/20 are ambitious and include:

- Supporting the key deliverables outlined above;
- Continued implementation of the overarching strategy to ensure that there is a robust infrastructure in place to support VCA going forward, unifying platforms where possible and moving ICT services to the Cloud;
- Building on existing efficiencies by further consolidating support contracts and suppliers;
- Continuing to provide Information Assurance to VCA and DfT Senior Information Risk Officers; and
- Establish VCA requirements for end user computing to better meet the needs of a digital and mobile operation

3.8 Other Cross-department/agency commitments include:

Category	DfT / VCA target	2019/20
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Cross-department / agency commitments	Prompt payment - Payment of invoices within 5 working days.	80%
	Freedom of Information – Provide a response within 20 working days.	93%
	Parliamentary Questions – Provide a response by the due date.	100%
	Ministerial Correspondence – Provide a response within 8 working Days.	95%
	Official Correspondence – Provide a response within 20 working days.	80%

ANNEX



Financial forecast	Forecast Outturn 2018-19 £ '000	Business Plan 2019-20 £ '000
Statutory fee income	20,457	21,115
Commercial fee income		
Other income	835	950
Total income	21,292	22,065
Staff costs	(11,167)	(12,285)
Travel & Subsistence	(2,008)	(2,100)
Agents fees	(4,735)	(4,750)
ICT charges	(1,007)	(1,200)
Accommodation	(756)	(800)
Consultancy and Professional Services	(100)	(150)
Postage and printing	(74)	(80)
Depreciation	(599)	(700)
Other costs		
Total expenditure	(20,446)	(22,065)
Net Operating (cost)	846	0

