



Vehicle
Certification
Agency

2021-2022

The Vehicle Certification Agency Business Plan

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CONTENTS

Non-Executive Chair's introduction.....	04
Chief Executive's foreword	05
01. Who we are and what we do	07
02. Plans for 2021-22	10
03. Delivering the plan.....	15
 Annexes	
Annex A – Financial forecast	19

NON-EXECUTIVE CHAIR'S INTRODUCTION

As Non-Executive Chair for the Vehicle Certification Agency (VCA), it is my privilege to introduce its Business Plan for the 2021-22 financial year.

The publication of the plan will be followed shortly by the launch of the Agency 5 year strategy. Having worked with CEO, Pia Wilkes and the senior management team on both of these important items, I am proud of the level of vision and ambition they convey. The VCA delivers a range of critical functions and the steps it intends to take over the next 5 years are key to ensuring that it remains a globally respected, progressive and forward thinking certification body.

Given the specialist nature of the work carried out by the VCA, it goes without saying perhaps that the entire team embody a great deal of technical competence and awareness. This is being used to great effect to deliver vital services today, and will also play a foundational role in shaping a safe and progressive route towards the regulatory framework of tomorrow. This is particularly important as alternative energy technologies such as hybrid and battery electric vehicles become more prevalent and the introduction of increasing levels of vehicle connectivity and autonomy occurs.

I also very much support the plans the Agency has to transform its digital estate to realise efficiencies and provide an even better experience to both staff and customers. The Agency has continued to build on the way it anticipates and responds to change and I have no doubt that this will help to drive its range of important programmes forward to great effect.

As the VCA moves beyond its 30th year as an Executive Agency, I am confident that it will have a vital and influential role in supporting the needs and of all its stakeholders. I look forward to supporting the entire team to realise the ambitions and deliverables outlined in this 2021-22 Business Plan and the longer term business strategy. I'm also pleased to welcome a new Non-executive Director to the team, Brigid Sutcliffe. Brigid brings significant experience to the role and I'm sure her contribution will be invaluable.

In concluding I want to recognise the way the organisation has responded to the impact of COVID-19. The entire team has shown an impressive level of commitment in adapting to the challenges faced; ensuring that the demand for services could be met and I commend them for this.

Clive Scrivener
Non-Executive Chair

CHIEF EXECUTIVE'S FOREWORD

Welcome to the Vehicle Certification Agency (VCA) Business Plan for 2021-22.

Before I talk about our plans for this financial year I want to take a moment to reflect on recent events and the impact of COVID-19, which has been incredibly challenging for everyone. Demand for the services we provide was subject to some fluctuation during 2020 for understandable reasons. But I'm proud to say that my team, like countless other people, have really worked incredibly hard to ensure that we continued to keep things moving against such a difficult backdrop. We have had to be agile and embrace new ways of working, using the available technology to ensure that we could continue to provide our services in the most efficient way possible.

In 2020 we completed a lot of the ground work required to maintain and enhance our IT infrastructure. This work has not only served us well during this difficult time, it lays the foundations for future improvement and efficiencies.

During this year we will launch our strategy for the coming 5 years. The plan will outline an ambitious agenda for the period which broadly sits under three critical themes, 'Technology', 'People' and 'Infrastructure/Digital'. This Business Plan lays out the things we aim to achieve in the first year.

As outlined above, we have done a lot of work to enhance our IT platform. Over the last six months we have also carried out a review of our existing digital estate across the organisation. We have done this to establish how it supports our future strategy but also to identify potential improvements. This work will help us to prioritise change, drive efficiencies and improve overall user experiences both internally and for our customers.

From a people perspective we will build on our existing employer offering to ensure that we can attract the right talent to help us meet the challenges and opportunities associated with the ever changing technology landscape. As part of this we will grow our connected and autonomous vehicle unit to act as a knowledge hub in this area, not just across the Department and Agencies but across wider government. And of course, we need to continue to ensure that we provide an environment where new and existing staff can develop and thrive so that we have the right skills at the right time.

In conclusion, the plans we have outlined for this financial year and beyond through our 5 year strategy, are ambitious and will help us to consolidate our position as a highly respected certification body. 2020 marked the 30th anniversary of our becoming an Executive Agency. The organisation has evolved a great deal during that time and I look forward to leading it on that continued journey.

PIA WILKES CBE
Chief Executive and Accounting Officer

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) and part of the Roads, Places and Environment Directorate, through which it 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 national and international standards for 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** 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)

- 1.4** This is an integral and essential part of the certification process and approval cannot be granted without adequate CoP arrangements being in place. CoP provides confidence to industry, government and consumers that vehicles or components covered by the regulations are manufactured in accordance with the approved specification and that measures are in place to ensure ongoing compliance.

The CoP process involves an initial evaluation of manufacturing quality processes to ensure that each product is built 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 relevant records. Where evidence of non-compliance is discovered, this will be rigorously investigated and the appropriate steps taken to ensure conformity is restored.

We recognise 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” we will take all reasonable actions to investigate the non-conformance and where

necessary take action to bring the vehicle, system or component back into conformity; and where appropriate work with other agencies to ensure a product remains in conformity. We are clear that only fully compliant vehicles or components should be offered for sale. Where non-conformance occurs, the manufacturer should rectify any issues at the earliest opportunity, in accordance with the relevant provisions the type approval legislation. Where a manufacturer cannot, or will not take the necessary steps to bring products back into conformity, VCA may suspend the Conformity of Production status. This suspension would prevent vehicles being registered. Ultimately steps may be taken to withdraw an approval, in accordance with the relevant type approval legislation.

Market Surveillance

- 1.5** 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. This will continue in 2021-22, ensuring that the right skills are available to support constantly evolving standards and technology.

Certification of Dangerous Goods Packaging

- 1.6** The VCA also 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 team 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

- 1.7** Based on other 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 Highways England Thames Link Crossing at Dartford.

Data Provision

- 1.8** 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 more than 1 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.

Average Emissions Monitoring

- 1.9** We have been nominated by the Secretary of State for Transport to manage the collection and processing of average emissions data for both Light Duty Vehicles (LDVs) and later in 2021, the collection of data in respect of Heavy Duty Vehicles (HDVs).

PLANS FOR 2021-22



The table at 2.4 highlights the main performance measures that VCA has agreed with the Department for 2021-22. 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

We continue to drive forward our plans to deliver new digital tools and systems to ensure that services are delivered as efficiently as possible and provide a great user experience. During 2020-21, we completed a review across the organisation to provide an overview of the current digital estate, providing an opportunity to understand how this fits in to our ongoing change agenda and future strategy. Actions and priorities will be agreed in the early part of 2021-22, with any specific priority programmes moving to the scoping and delivery phase. Work will also continue on evolving our processes as part of continuous improvement.

During 2020-21, we also completed the implementation of our transformed website and Intranet platforms and we will develop both to ensure that they continue to provide a quality user experience.

From an infrastructure perspective a great deal was achieved in 2020-21 with the replacement of ageing telecommunications services with cloud managed systems fit for the future, as well as the implementation of Office 365 and Windows 10. In this financial year we will complete the work of moving key services to the cloud.

Our services

We have 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

Demand for our core product certification work has been impacted by COVID-19 through the 2020-21 financial year. However, we worked hard to meet demand against a difficult backdrop and we will continue to do so. During this financial year we will continue to build on our existing skills to ensure that we are ready to meet the demand of an ever changing technology landscape within the automotive sector. Allied to this, our processes will also evolve to ensure that we are delivering our services efficiently. Technology will also play an important part in this as we develop our systems and tools as part of the wider organisation transformation agenda.

2.2.1 Connected and Autonomous Vehicles

By 2035, it is estimated that 40% of new car sales will have self-driving capability. To realise this ambition the trialling of this technology and introduction of the first mass production automated systems in the market place has be completed safely and securely. This will be crucial for consumer confidence and acceptance. Certification and approvals will play a key role in ensuring this.

We are ideally positioned to lead in the delivery of Connected and Automated vehicle approval services at national and international level. To do this we need to set the foundations for a dedicated, highly skilled Automated Vehicle Technology engineering group to engage in policymaking, provide technical scrutiny at the approval authority level, and be primed to deliver CAVPASS certification services for connected and autonomous vehicle trials in the UK. In 2019, we set up a dedicated Automated Vehicle Technology Group (AVT) to support these ambitions. Based on those foundations we will expand the AVT team during 2021 to grow our capacity in the following areas:

- Cyber Security - to support the development of legislation and ensuring manufacturers provide safe and secure software
- Verification and validation – to ensure systems perform and react as intended in all conditions
- Functional Safety and ADAS – to lead and develop VCA knowledge of risk analysis in multifunctional autonomous systems
- Regulatory – to support the development of National and International legislation

This will be supported by an engineering team that will make the VCA a world class approval authority in the connected and autonomous vehicle arena now and in the future.

2.2.2 Quality



We recognise the importance of quality and having the ability to evidence a management system that has been independently assessed to international standards by national certification bodies. VCA has gained ISO accreditation to ISO 17025 and will continue to maintain this in 2021-22. In addition, work will commence to obtain formal accreditation to ISO 17065 which is an internationally recognised standard for conformity assessment. The standard is aimed at bodies certifying the quality of products and will be particularly relevant for Conformity of Production (CoP) assessments. It also has relevance in respect of in the developing connected and autonomous vehicle technology arena.


Finance and Efficiency

2.3 Finance

Demand for our services was subject to some fluctuation during the 2020-21 financial year due to the impact of COVID-19 and this reduced revenue. However, as demand increases to typical levels our aim is to cover costs and breakeven in this financial year.

2.4 2021-22 Key Performance Measures

Category	VCA measure	In 2021/22
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"> Evaluate the outcomes from the business transformation review completed in 2020/21 and develop a plan to implement any findings. Plan to be in place and agreed by the end of May 2021 	31/05/2021
	<ul style="list-style-type: none"> Conclude VCA's core infrastructure modernisation by migrating all on-premises services to the cloud 	31/12/2021
2. Our services 	2.1 VCA Type Approval Certificates to be issued no later than 10 working days from technical clearance unless a longer period has been agreed to meet manufacturer's expectations. Certificate issue is predicated on appropriate Conformity of Production (CoP) arrangements being in place.	92%
	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"> New Type Approval certification applicants that do not hold suitably accredited quality certification (ISO 9001/TS 16949), or a suitable compliance statement is subject to a CoP audit before type approval certification is issued Existing type approval certificate holders that do not hold suitably accredited quality certification (ISO 9001/TS16949) or a suitable compliance statement are contacted and offered surveillance audit dates before clearance expiry (in line with the VCA risk based approach) Existing type approval certificate holders that do hold suitably accredited quality certification (ISO 9001/TS 16949) or a suitable compliance statement are contacted before clearance expiry to review their ongoing Conformity of Production (in line with the VCA risk based approach) 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 	100%

	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 VCA customer satisfaction survey score to be 90% or higher.	90%
	2.5 Support the Department for Transport and DVSA in the delivery of the Government's Market Surveillance Test Programme.	31/03/2022
3. Financial responsibilities 	3.1 Agency Finance - Deliver the financial performance outlined in the Business Plan for the 2021-22 financial year.	Breakeven 31/03/2022
	3.2 Sick Absence - Ensure average number of working days lost to sickness absence does not exceed 6 days per FTE.	6 Days

DELIVERING THE PLAN



3.1 Human Resources

We will continue to build on our current people processes in alignment with the wider Government HR strategy and in support of the Civil Service core values and the Brilliant Civil Service vision.

As part of this we will maintain strong relationships with the Department and its agencies, sharing best practice and working collaboratively to provide a great place to work. This collaboration has been key to the way we have successfully navigated through the COVID-19 pandemic, and will also be key to shaping the future HR landscape in terms of flexibility of working.

A number of training and development streams have been used to empower our leaders and develop our teams, always improving and equipping our staff to provide the high quality service expected of us. We will continue to draw on these initiatives but also unite them to provide a focused staff development agenda tailored to the agency's ever changing needs.

We understand the great development opportunities that apprenticeships can offer our staff and the variety of ways that they could be used within the agency. Building on our progress from last year, we will continue to promote apprenticeships across the VCA by creating a dedicated apprenticeship intranet page. This will engage managers and staff around the benefits of apprenticeships and provide simple steps on where to start.

The progression of the Information Technology (IT) and Digital Strategies will help HR to improve the functionality and efficiency of its service platforms. Over the last year we have worked to develop our HR digital platforms to provide additional advice, guidance and content during the pandemic and this has been invaluable. This work is ongoing so that we continually improve our user experience and functionality.

The recent COVID-19 pandemic has required us to work in different ways, it has challenged us to better use technology to enable us to continue to deliver our services and provide support to our staff. Recent events have seen a significant increase in remote working and this has worked very well. We will be looking at how this experience can be built into our overall approach to flexible working going forward.

During 2020 our intranet hub was updated and this gives us a great platform to provide our staff with much improved access to our HR news and guidance updates. Over the next year we will continue to build on the HR element of the site, providing enhanced guidance on recruitment, learning and development and wellbeing. The intranet provides a live communication stream for people news, initiatives, and success stories, allowing all VCA staff to be involved, no matter where they are.

One of our biggest focuses over the past year has been to ensure the health and wellbeing of our people during the pandemic. The pandemic has affected people in many different ways and this has been well documented. To support our staff we put in place various wellbeing initiatives including online mental health fitness sessions, the provision of mental health guidebooks to all employees, and online sessions highlighting what support was available from our employee assistance provider. We also improved our wellbeing intranet pages highlighting information relating to our mental health first aiders, tips on maintaining wellbeing and where to go if staff were struggling.

In order to maintain, and where necessary grow our workforce, we have worked to improve our recruitment processes. An example of this has been the successful adoption of online only recruitment processes due to the pandemic. This has been a great learning curve for hiring managers and candidates alike.

A job evaluation and grading panel has been established to provide a rational basis for the maintenance of our grading structure. More training has been provided to staff on interview techniques so that they are equipped to present well during interviews. The recently updated external website platform now allows us to further develop our ability to attract great people, building on our reputation as a great place to work and championing our employee value proposition. Looking at the year ahead, we will work to improve our recruitment intranet page so that hiring managers can access guidance quickly and staff can access training material more effectively.

3.2 Diversity

Creating an inclusive culture is the most sustainable way of helping people to feel safe, happy and more productive in work, making the organisation a great place to be for all. 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 continue to build on the good work achieved through our Local Inclusion Plan, working in partnership with the DfT family to achieve our goal in becoming the leader on diversity and inclusion.

We will further develop partnerships with charities and stakeholders to understand how we can open up career opportunities within the neurodiverse community. This year we will be taking part in the multi-award winning Autism Exchange Internship Programme. This programme will see us offering an internship that provides workplace exposure and upskilling opportunities to young people with autism.

3.3 Estates

The Estates team covers a number of key areas, including Health & Safety, Facilities Management (FM), Sustainability, Vehicle Fleet and Physical Security. We aim to ensure that the running of our estate provides a safe working environment, and supports operational delivery in sustainable and efficient way. We also aim to provide the best facilities possible for anyone using our sites to ensure that their occupational health, wellbeing and mental health needs are catered for. We do this by providing specific information through staff engagement, trained support and specialist equipment as is required

In support of the Estates function we attend a number of DfT forums where key issues are

discussed and best practice is shared. We also work in partnership with the rest of the DfT agencies and the Environment Agency (EA) to manage a DfT estate-wide Total Facilities Management Contract. The aim of this is to support efficiency savings over any previous arrangements in place and provide a cost effective and timely management service of our FM requirements.

During recent years we have continued refurbishment work to our buildings and facilities to ensure that these continue to be maintained to a consistent standard; this work continues.

Sustainability and reducing our environmental impacts continues to be a key focus for the Agency. Great progress continues to be made in this area and in fact, we have surpassed our commitments to the Greening Government Commitment (GGC) to make further progress beyond both the original and enhanced GGC targets set for 2020 and 2021 target last year. This progress is aided by building refurbishments, better use of building management systems and the procurement of more efficient technology across the agency. This reduction has continued year on year despite increases in the number of staff employed on our sites.

The process of eliminating non-essential Single Use Plastics from our sites has now been completed with many items removed from both use and our supply chain.

In addition, we have also achieved and exceeded the Government Fleet Commitment to electrify 25% of our vehicle fleet by 2022 and we are on track to meet the 100% target.

Over the next proposed period of the GGC (2021-2025), we will monitor our performance against the following parameters:

- Carbon reduction and Net Zero by 2050
- Minimising waste and promoting resource efficiency
- Provision of clean and plentiful water
- Sustainable procurement
- Nature recovery plans, biodiversity and green capital
- Adapting to Climate Change
- ICT and Digital

Finally, some of the working practices deployed during the COVID-19 pandemic mean that sustainability figures that are recorded for the 20/21 reporting year will be unusually low. This is due primarily to the impact of remote working and reduced travel. We aim to learn from some of these working practices to benefit sustainability and continue to focus our attention on reducing our environmental impacts through sustainable practices.

3.4 Digital, Data and Technology

To support VCA's strategic objectives, this year we will:

- Conclude implementation of the Operating Model for Digital initiative to ensure we have the right skills, structure and processes to improve the digital services we provide to our users and customers
- Build on our cloud first foundations and complete our cloud migration to improve resilience, cost management and flexibility for the agency
- Identify, develop and implement enterprise digital capabilities to underpin VCA's digital transformation
- Develop new customer facing services, including digital payments
- Further enhance our ways of working for VCA across the globe through the use of new technologies

3.5 Other Cross-department/agency commitments include:

Category	DfT / VCA target	2021/22
Cross-department / agency commitments	Prompt payment - Payment of invoices within 5 working days.	80%
	Freedom of Information – Provide a response within 20 working days.	90%
	Parliamentary Questions – Provide a response by the due date.	100%
	Ministerial Correspondence – Provide a response within agreed DfT timescales.	95%
	Official Correspondence – Provide a response within 20 working days.	80%

ANNEX



Financial forecast	Forecast Outturn 2020-21 £ '000	Business Plan 2021-22 £ '000
Statutory fee income	17,518	20,896
Other income	2,435	2,638
Total income	19,953	23,534
Staff costs	(12,777)	(13,042)
Travel & Subsistence	(361)	(1,524)
Agents fees	(4,109)	(4,825)
ICT charges	(1,675)	(1,563)
Accommodation	(433)	(685)
Consultancy and Professional Services	(320)	(194)
Postage and printing	(62)	(75)
Depreciation	(1,025)	(1,147)
Other costs	(421)	(389)
Total expenditure	(21,183)	(23,444)
Net Operating (cost)	(1,230)	90

