



business plan and corporate plan 2005 - 2007



contents

Business Plan 2005-06

Chief Executive's Statement	2
Work of the Agency	4
Strategic Context	7
Business Environment	10
Strategic Business Objective 1 – Compliance	13
Strategic Business Objective 2 – Testing	15
Strategic Business Objective 3 – Staff	17
Strategic Business Objective 4 – Customer	19
Strategic Business Objective 5 – Efficiency	21
Strategic Business Objective 6 – Corporate Governance	23
Appendix A – Summary of Key Ministerial Targets	26
Appendix B – Summary of Key Management Tasks	27
Appendix C – Income and Expenditure	28
Appendix D – Cash Flow	30
Appendix E – Balance Sheet	31
Appendix F – Capital Expenditure	32
Appendix G – Staffing	33
Appendix H – Test Demand	34
Appendix I – Vehicle Test Fees	36
Appendix J – Driving Test fees	37
Appendix K – Miscellaneous fees	38
Appendix L – Proposed Structure of Management Board	39

Corporate Plan 2005-07

Introduction	42
Strategic Business Objectives	42
Performance Against Key Targets	45
Staffing	46
Test Demand	46
Finance	47



chief executive's statement

I am pleased to present the Agency's business and corporate plans for the period 2005 to 2007.

As an executive agency of the Department of the Environment, DVTA has been around in its present form since 1992. However, these plans cover what will be one of the most critical and difficult periods in its history. The installation of new vehicle testing equipment, the refurbishment of test centres and the introduction of new booking services over the last few years have created the technological platform for major improvements to customer services in the future. However, the upheaval caused by these developments, combined with year-on-year increases in the demand for tests, the ongoing fall-out from the programme of industrial action in 2004, and significant developments in Government policies for public services, have combined to create a hugely challenging backdrop to the service delivery environment.

In addition, for the first time for a couple of years, we have found it necessary to increase the majority of our test fees. We do so with considerable reluctance, and we acknowledge the impact this will have on customers. However, the underlying pressures caused by inflation and additional working requirements make the increases unavoidable. Despite the changes, the fees paid by customers in Northern Ireland compare very favourably with those charged in Great Britain and elsewhere in Europe.

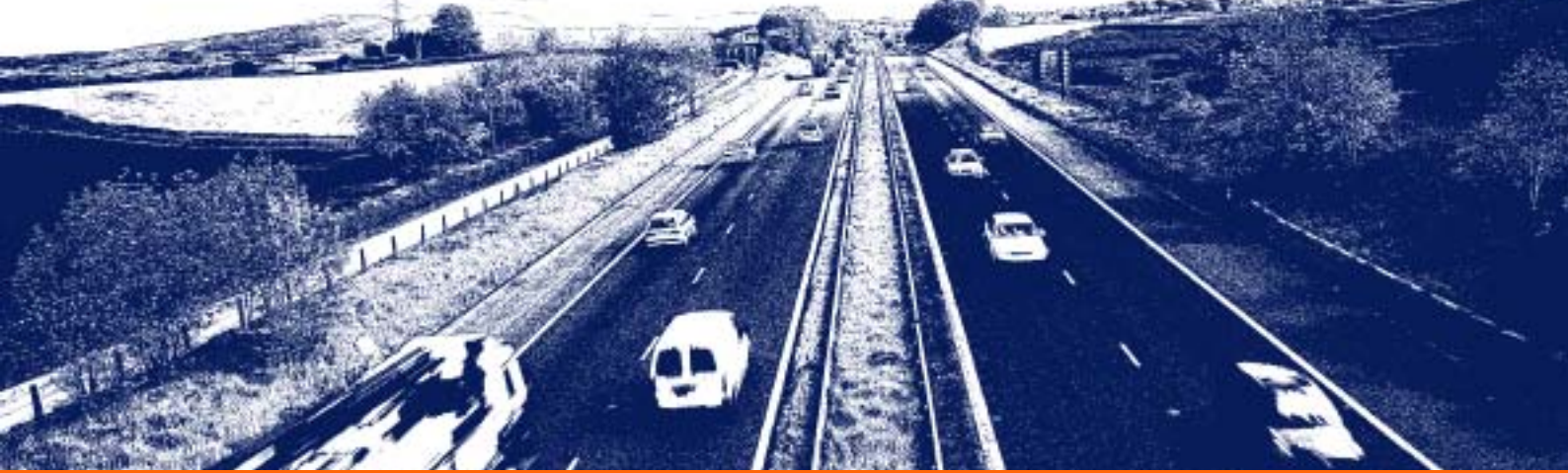
The 2005-07 plans have been structured around six strategic business objectives. In the business plan we have identified one key task under each heading, along with a number of other proposed actions. We have also identified the key Ministerial targets associated with each objective, together with any other relevant performance measures or indicators that we intend to use for monitoring purposes. For convenience the key financial tables and supporting data are in appendices at the back.

Our priority in this period will be to get waiting times back down to normal levels, and to eliminate the requirement for the temporary exemption certificates that we have had to issue to customers unable to get tests within a reasonable period. We also intend to bring in some additional test items and take forward our strategy to increase compliance with vehicle testing requirements. On quality, we plan to implement the new quality control regime for vehicle testing, and extend ISO 9000 certification to the vehicle testing system, building on our achievement in 2004-05 as the first organisation in the UK to obtain ISO certification for the practical driving test. We also intend to identify how best to develop our services to meet the specific needs of our diverse customer base.

Taken together, these and the other detailed proposals set out in both plans represent a formidable programme not just of recovery and consolidation but also of progress and development. With the support and commitment of the management team, however, and of staff throughout the Agency, I am confident that they can be delivered.



J S T DUNCAN
Chief Executive



business plan 2005 - 06





the work of the agency

Mission, Vision & Values

1 Our mission has been defined as follows:

“The Driver & Vehicle Testing Agency contributes to road safety by providing a fair, independent and efficient testing and enforcement service in which customers have complete confidence. We achieve this by:

- **getting even better at what we do; and**
- **having courteous, well trained staff**

2 Our values may be summarised as follows:

- **we focus on people;**
- **we focus on results;**
- **we are supportive of our staff;**
- **we adopt a quality approach; and**
- **we are progressive.**

3 The business plan for 2005-06 has been structured around the following six strategic business objectives:

- **to improve compliance;**
- **to deliver the right tests to the appropriate quality standards;**
- **to invest effectively in staff;**
- **to meet the needs of customers and other stakeholders**
- **to increase efficiency; and**
- **to maintain an effective system of corporate governance.**

Background

4 As our mission statement implies, our key aim is to promote and improve road safety by seeking to increase the level of compliance with a range of EU and other statutory and legislative requirements. This work is an important part of the Government’s overall road safety strategy. In addition, we contribute to environmental improvement through our emissions testing programme, while through the work we do to keep information on drivers and vehicles up to date, and through our involvement in roadside enforcement, vehicle identity checking and single vehicle approval, we help to level the playing field for commercial operators and to combat vehicle-related crime.



- 5 We operate from a number of geographical locations, including 15 combined vehicle test and practical driving test centres, two centres for driving tests only, six theory test centres, two enforcement centres and 13 dynamic weighbridge facilities, five of which can be operated by customers themselves.
- 6 We work with three key private-sector partners: the Romaha consortium provides and maintains the new MOT2 vehicle testing equipment, under a private finance initiative contract, while Pearson VUE delivers the theory element of the driving test and Sx3 operates the test booking system.
- 7 The Agency was the first and is still the only trading fund in the Northern Ireland public sector. Being a trading fund means that it has to meet its costs from fee income. It also creates a more direct connection for customers between the amount they pay and the service they get.

Core Business Activities

- 8 We carry out over 500,000 roadworthiness checks a year on:
 - cars and motorcycles which are four years old and over;
 - light goods vehicles from three years old;
 - trailers, large passenger carrying vehicles and heavy goods vehicles (over 3,500 kgs gross weight) from one year old; and
 - buses and taxis from when they are first used.
- 9 Driving tests are carried out in four main groups:
 - theory tests – to ensure that learner drivers have the knowledge and understanding they need to be able to drive safely;
 - practical ‘L’ tests – to ensure that drivers and riders have the competence to drive cars and ride motorcycles safely;
 - large goods vehicle (LGV) tests – to ensure competence to drive goods vehicles with a maximum weight (including any trailer) of more than 7.5 tonnes; and
 - passenger carrying vehicle (PCV) tests – to ensure drivers have the skills they need to carry passengers in safety and comfort.



the work of the agency

10 We maintain an up to date register of around 700 approved driving instructors. In order to do that we have to:

- **process applications from people who want to become driving instructors;**
- **assess the suitability of applicants to be on the register;**
- **check tuition standards for approved instructors; and**
- **take appropriate action when instructors fail to meet required standards.**

11 In relation to enforcement, we have responsibility for:

- **checking lorries, buses, coaches and taxis for road traffic compliance;**
- **checking operators and drivers for compliance with relevant requirements;**
- **prohibiting defective vehicles from being used;**
- **where appropriate, recommending prosecution;**
- **examining tachograph records; and**
- **checking, on behalf of the Road Transport Licensing Division of Driver and Vehicle Licensing Northern Ireland (DVLNI), the suitability of premises for operator licensing purposes.**

12 Our other activities include:

- **checking heavy goods vehicles and trailers used internationally under the Transports Internationaux Routiers (TIR) convention;**
- **approving and monitoring tachograph installation and calibration centres;**
- **preparing road traffic collision reports on damaged vehicles for the Police Service;**
- **checking repair work on vehicles after defect or prohibition notices have been issued;**
- **issuing 'certificates of initial fitness' (COIF) for buses manufactured in Northern Ireland for use in Great Britain;**
- **undertaking vehicle identity checks and motorcycle single vehicle approval on behalf of the Department for Transport;**
- **providing single vehicle approval tests for cars, light goods vehicles and motorcycles that have not been type approved to UK or EU standards;**
- **carrying out static taxi driving assessments for the Occupational Health Service; and**
- **carrying out driving tests on candidates with medical conditions, on behalf of DVLNI.**





strategic context

Northern Ireland Priorities and Budgets 2005-08

13 Priorities and Budgets 2005-08 was published in October 2004. The document summarises the Government’s main policies and priorities, as well as the finances which have been allocated to Departments for this period. The proposals are designed to achieve the objectives of:

- economic competitiveness – making NI a more prosperous and productive region;
- building equality and community cohesion – to increase opportunity for all and ensure stronger, safer communities throughout NI; and
- better public services – ensuring better, more efficient public services for all.

14 The proposals are underpinned by an investment strategy for NI, which has been developed by the Strategic Investment Board.

Public Service Agreement (PSA)

15 The PSA included for each department in Priorities and Budgets 2005-08 sets out the Department’s main objectives, together with budgets, planned citizen outcomes and key service channels. The relevant part of the DOE PSA is as follows:

DOE Objective	Planned outcome for the citizen	Key service channel	Target
To protect, conserve and enhance the natural environment and built heritage and support the adoption of the principles of sustainable development; to plan and manage development in a sustainable way which will contribute to a better environment and which is modern and responsive to the community; to work with statutory and voluntary partners to reduce road deaths and serious injuries; and to support a system of effective local government which meets the needs of residents and taxpayers	To work with statutory and voluntary partners to reduce road deaths and serious injuries	DOE Road Safety and Vehicle Standards Division; DRD Roads Service; PSNI	To reduce by 2012, road deaths and serious injury by 33% from the 1996-2000 average of 1750 per annum; To reduce by 2012, the number of children killed or seriously injured by 50% of the 1996-2000 average of 250 per annum

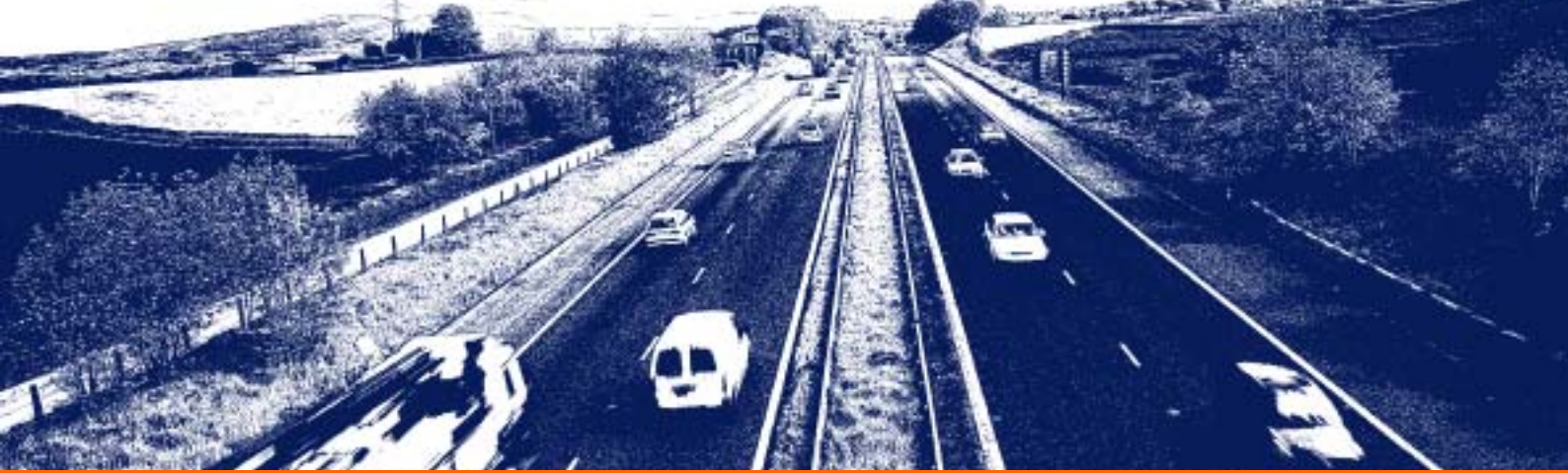
strategic context

16 The table below shows how DVTA will in turn contribute to the Department's commitments:

Planned Citizen Outcome	PSA Target	Departmental Function	Spending Area	
			Action	SMART Target
Work with statutory and voluntary partners to reduce road deaths and serious injuries	To reduce, by 2012, road deaths and serious injury by 33 per cent from the 1996-2000 average of 1750 per annum	Driver and vehicle testing	Resource	£1.437m
			Capital	£83k
			Total	£1.520m
			Conduct at least 500,000 vehicle tests	Achieve average waiting time of 21 days
			Conduct at least 40,000 practical driving tests	Achieve average waiting time of 23 days
			Conduct at least 40,000 driving theory tests	Achieve 93% of monthly service standards
Budget			Resource	£1.437m
			Capital	£83k
			Total	£1.520m

Lyons Review

17 In October 2004 the Government has published and endorsed a report on better asset management by Sir Michael Lyons. It noted that there were more than £25 billion of public sector assets in NI, and recommended that asset disposal should be taken forward as a priority. It also recommended that public bodies should identify opportunities to share accommodation, make better use of space, and ensure accommodation was fit for purpose.



'Fit for Purpose'

18 Published for consultation in October 2004, with an introduction by Head of the NICS Nigel Hamilton, 'Fit for Purpose' set out the Government's plans for a Civil Service that blended 'the traditional public service values of integrity, honesty, impartiality and objectivity with a stronger-than-ever focus on service delivery, underpinned by improvements in efficiency, professionalism, strategic leadership, and flexibility.' The priorities were identified as:

- putting priority front-line services first, with resources focussed on meeting the needs and aspirations of the community, a smaller and more efficient Civil Service, with rationalised support services, less absenteeism, and better management of pay and workforce issues;
- building capacity, for example by enhancing leadership and professionalism, developing talent, better performance management, and improving employee relationships; and
- embracing diversity, by more external recruitment and interchange, and enhanced monitoring of equal opportunities and diversity.

Sustainable Development

19 Linked to the concept of corporate social responsibility, sustainable development is defined as 'development which meets the needs of the present without compromising the ability of future generations to meet their own needs'. Fundamentally it is about ensuring a better quality of life for people now and in the future, and that involves protection of the environment, careful use of natural resources, economic growth and social progress.



business environment

Road Safety

- 20 In 2004, 147 people were killed in road traffic collisions, compared with 150 in 2003. In the same period, subject to final confirmation of the accuracy of the statistics, 1,112 people were seriously injured and 7,672 slightly injured, compared with 1,288 and 8,887 respectively in the previous year.

MOT2

- 21 On 27 March 2001 the Agency signed a 17 year contract with the Romaha consortium under the private finance initiative. The contract, worth £57 million over 17 years, requires Romaha to provide and maintain new equipment at all 15 of the Agency's vehicle testing centres. Related issues currently include test times and health and safety considerations around the first stage of the testing procedure. The Northern Ireland Audit Office carried out a value for money study of the MOT2 project in 2004-05, and its draft report is currently being finalised.

Booking Services Project

- 22 On 12 September 2001 a five-year contract was signed with Sx3 for the provision of telephone and online booking services for vehicle tests and practical driving tests. The contract also involves the issue of MOT reminders.

EU Directives

- 23 EU directive 2000/56/EC substituted a new Annex 2 into the second directive on driver licensing (1991/439/EC). Amongst other things the directive provided for new manoeuvres to be introduced into motorcycle tests by October 2008. Forthcoming developments include a third directive on driver licensing, incorporating modifications intended to improve road safety, combat driving licence fraud and impersonation, and facilitate movement between member states. Directive 2003/59/EC, which has to be transposed into national legislation by September 2006, prescribes compulsory initial and periodic training for professional drivers of lorries and buses. There are two directives on working time that affect drivers in the road transport sector. The first is the horizontal amending directive (2000/34/EC), which was implemented in the UK on 1 August 2003 under the Working Time (Amendment) Regulations 2003 (SI.1684). This directive amends the main Working Time Directive and affects nearly everyone in the transport sector. Non-mobile workers in the road transport sector are affected by all the provisions under this directive. However, only some of its provisions affect mobile workers. The second directive (2002/15/EC), usually referred to as the "road transport directive" (RTD) is specific to the road transport sector. It affects only mobile workers (eg, drivers and crew) who participate in road transport activities covered by EU drivers' hours rules (Regulation (EEC) 3820/85). The UK and other European member states have until 23 March 2005 to implement this directive in national legislation.



Modernising Services

- 24 The Department has highlighted 'modernisation of driver and vehicle testing services' as a specific sectoral reform within the Departmental reform framework.

Driver, Vehicle & Operator (DVO) Group

- 25 In Great Britain, the DVO group comprises the Driving Standards Agency, the Vehicle and Operator Services Agency, the Vehicle Certification Agency, the Driver and Vehicle Licensing Agency and the Department for Transport. The DVO corporate plan for 2005-08 defines its strategic priorities as better compliance, better customer service and better value for money. DVO activities are shadowed in NI by DVONI, which includes DOE, DVTA and DVLNI.

Freedom of Information (FOI)

- 26 FOI legislation came fully into force on 1 January 2005. The legislation allows any member of the public to ask the Agency for any information it holds.

Health and Safety

- 27 Health and Safety remains a priority issue. Current initiatives include the provision of a local exhaust ventilation system for goods vehicle lanes in test centres, and the trialling of a canopy designed to provide weather protection for staff at the first stage of the vehicle testing procedure.

Accommodation

- 28 During 2004-05 PricewaterhouseCoopers were commissioned to conduct a review of the Agency's accommodation requirements, and their report is being considered.

Industrial Action

- 29 Last year a number of DVTA staff were involved in a programme of industrial action related to a dispute over the 2003 NICS pay award. From November 2003 to May 2004, this took the form of an overtime ban and work to rule. For a period of three months from mid May 2004, nine test centres were closed or partially closed. When the strike ended in mid August, the backlog of tests totalled around 110,000. In the course of the strike, certificates of temporary exemption were introduced. These allowed motorists to drive legally and get vehicles taxed without vehicle test certificates. Since the strike ended, efforts to reduce the backlog of tests and eliminate the use of temporary exemption certificates have continued.



business environment

Efficiency Review

- 30** In announcing the Government's spending plans for Northern Ireland for the next three years on 20 December 2004, NIO Minister Ian Pearson MP indicated that departments and public bodies in NI would be expected to deliver efficiency gains of more than £1 billion over the next three years. Of that amount, around £657 million would become available for reinvestment in key public services. The proposals reflect the outcome of the review of public sector efficiency in GB by Sir Peter Gershon.



strategic business objective 1

TO IMPROVE COMPLIANCE

Introduction

- 31 Through both positive incentives and effective enforcement measures, and by creating a compliance culture, the Agency aims to promote and improve the level of compliance with the full range of relevant road traffic regulations, including the requirement to have vehicles tested and the requirement for learner drivers to undertake appropriate driving tests before obtaining full driving licences.
- 32 Implementation of the compliance strategy will continue under the guidance of the Compliance Strategy Board.

Key Task

- 33 We will roll out an enforcement strategy that will encompass a revised means of measuring enforcement performance. The strategy will focus on developing intelligence on all operators and drivers so that education, advisory and enforcement activities can be targeted according to the assessed risk that they present.

Other Tasks

- 34 We will carry out a feasibility study to consider the benefits of making a vehicle's MOT test date the anniversary of the date of its first test, thus removing any benefit to be gained from a late application. The best means of determining dates of first tests will be assessed in order to avoid severe peaks and troughs in demand in subsequent years.
- 35 The impact of vehicle test reminders and other initiatives associated with vehicle testing regulations will be considered, with a view to determining the most appropriate follow-up action.
- 36 Surveys will be carried out on private cars to determine the levels of compliance with roadworthiness requirements and MOT evasion, and the results will be publicised.
- 37 The implications will be assessed of obtaining powers to stop private cars, and if necessary we will develop procedures for implementation.
- 38 The impact of recent road transport directives will be assessed, and we will identify new enforcement procedures and the resources required to ensure proper regulation of drivers' working time limitations.



strategic business objective 1

- 39 We will continue to develop the enforcement procedures necessary as a consequence of the introduction of digital tachographs.
- 40 We will participate in the review of the NI goods vehicle operator licensing system.
- 41 We intend to participate fully in the review of the NI taxi licensing system.
- 42 The impact will be assessed of the proposal to introduce a fixed penalty/deposit scheme for operators who commit offences within NI.
- 43 We will assess the impact of the Causeway computerisation project on Enforcement Section, and develop new processes and procedures to enable the Agency to meet the required changes in the handling of prosecution cases.
- 44 We will monitor developments in respect of the EU Commission's proposal that enforcement of drivers' hours requirements should be increased from 1% of a driver's working time to 3% and eventually to 10%.
- 45 We will review and update the Agency's existing compliance strategy.

Key Targets and Performance Measures

- 46 By 31 August 2005, we will be fully prepared for the introduction of digital tachographs.
- 47 By 30 September 2005, we will have developed and implemented a targeted enforcement system.
- 48 By 30 September 2005, we will have implemented phase 3 of the Agency's compliance strategy.
- 49 By 31 December 2005, we will have completed a fundamental review of the compliance strategy.



strategic business objective 2

TO DELIVER THE RIGHT TESTS TO THE APPROPRIATE QUALITY STANDARDS

Introduction

50 This objective reflects the Agency's commitments to carrying out the tests required by law and to achieving high standards of quality control and quality assurance.

Key Task

51 We will implement the first phase of a quality control regime for vehicle testing.

Other Tasks

ADI

52 We will develop an action plan to take forward a number of developments associated with the registration of driving instructors following the planned introduction of the Road Traffic Amendment Order, which is due to become law during 2006. This will provide for new registers, for the regulation of instructor training, for the regulation of driving schools and franchisees, and for a framework for continuing professional development.

Driving Tests

53 Consideration will be given to whether changes need to be made to the locations from which practical driving tests are conducted in Belfast and Londonderry.

54 We will consider and develop procedures for the introduction of a taxi driving test.

55 We will prepare for the introduction of the third EC directive on driver licensing.

56 In association with the Driving Standards Agency, we will explore new methods of delivering the theory test, in particular the hazard perception element.

57 We will develop the policy and legislation necessary to support the introduction of new manoeuvres into the practical driving tests for motorcyclists, under EU directive 2000/56/EC.

58 Suitable sites will be provided for the new motorcycle manoeuvres.

59 We intend to develop the policy and legislation necessary to support the introduction of the compulsory training directive (2003/59/EC), which provides for initial and periodic refresher training for professional bus and lorry drivers.



strategic business objective 2

- 60 We plan to prepare for the introduction of compulsory basic training (CBT) for motorcyclists in 2006-07.
- 61 We will manage the relevant issues associated with the legislation on the carriage of dangerous goods.
- 62 We will work with Pearson Driving Assessments Ltd to ensure that the driving theory test is delivered to the standards specified in the joint DVTA/DSA service delivery contract.

Vehicle Tests

- 63 We will extend the current speed limiter test to include all HGVs and PCVs.
- 64 We will provide for the testing of buses manufactured to the optional technical standard referred to in the relevant EC directive.
- 65 We will prepare for the introduction of digital tachographs.
- 66 Retest procedures will be reviewed.
- 67 Research will be conducted on the implications of introducing extrapolation techniques into HGV braking tests.
- 68 The effectiveness of the new headlight beam alignment test will be assessed.
- 69 Metered smoke and catalytic converter tests will be included in vehicle tests.
- 70 We will develop strategies for involvement with CITA and CIECA.

Key Targets and Performance Measures

- 71 By 31 March 2006, we will implement phase 1 of the quality control regime for vehicle testing.
- 72 By 31 March 2006, we will achieve ISO certification of all vehicle testing and administration functions at test centres.
- 73 We will work with Pearson Driving Assessments Ltd to ensure that at least 93% of the service standards specified in the theory test contract are achieved.



strategic business objective 3

TO INVEST EFFECTIVELY IN STAFF

Introduction

74 As an Investor in People, the Agency acknowledges that people are its most important resource. It is aware of issues that have arisen during the industrial action, and is keen to resolve these as far as possible. It is also keen to pursue job related training and development, and to offer staff the opportunity to develop on a personal level. Management and leadership skills are seen as essential to enable staff to feel valued and empowered, and to enable them to develop the confidence to be innovative and to take responsibility for their own actions.

Key Task

75 We will develop a staff charter.

Other Tasks

76 We will continue to monitor internal communication to ensure that our communications infrastructure is working effectively and is continually developed to meet the ongoing needs of staff and the Agency.

77 A corporate forum for operational staff will be instigated.

78 The programme of customer awareness training for staff that was started in 2004-05 will continue. It will include raising staff awareness of equality and diversity issues.

79 A framework for the personal and professional development of all staff will be put in place.

80 We will seek to achieve Investors in People status for a further period.

81 We will consider the implications of NICS developments in the way internal human resource services are provided, including the proposals for e-HR.

82 We plan to review our working patterns to ensure that we are achieving the optimum balance between the needs of our staff and our operational requirements.

83 Staff will be offered a health awareness programme and support mechanisms. We recognise that stress is an increasing factor in work and will implement a strategy for addressing the outcome of the risk assessment carried out in 2004-05.



strategic business objective 3

- 84 A staff satisfaction survey will be conducted, to ensure that we are fully aware of the issues affecting our staff and that mechanisms are in place to address their concerns.
- 85 A mobile exhaust filtration system will be installed in HGV lanes at test centres.
- 86 We will evaluate the outcomes of the canopy trial at the Larne centre, and explore other options as necessary.

Key Targets and Performance Measures

- 87 By 31 March 2006, we will have developed and implemented a staff charter.
- 88 By 31 March 2006, we will have achieved the sick absence targets set by the Department.



strategic business objective 4

TO MEET THE NEEDS OF CUSTOMERS AND STAKEHOLDERS

Introduction

89 The Agency recognises that customers are primarily citizens, with both rights and obligations in relation to its functions, and also that its services are delivered on behalf of the whole community, not just to those who require tests. However, we adopt a customer-centred approach in relation to service users, and we aim progressively to increase levels of customer satisfaction.

Key Task

90 We are conscious of the need to recover customer confidence in the service we provide, and will therefore develop a strategy to ensure that the waiting times for test appointments are brought within target.

Other Tasks

91 We will develop a customer-centred strategy to ascertain and develop services that are tailored more specifically to the needs of individual groups within our diverse customer base.

92 Customer service policies will be reviewed to ensure that they continue to meet the needs of all our customers and comply with our equality obligations.

93 We will continue to ensure that all customers are fully aware of the range of options open to them in accessing information and services, and will continue to promote our electronic service delivery options.

94 The Agency's external communication mechanisms will be reviewed, to ensure that they are meeting the needs of our customers.

95 Our corporate video will be updated.

96 We will carry out a survey to ascertain the views of our customers, and we will hold a reception for customer representative groups and key customers.

97 We will consider the way forward in relation to the Agency's contribution to the sustainable development agenda.

98 In view of the proposed merger of DVLNI with the Driver and Vehicle Licensing Agency, we will consider the implications of integrating the Road Transport Licensing Division of DVLNI into DVTA.



strategic business objective 4

Key Measures and Targets

99 Customer satisfaction with booking arrangements will be at least 92% (+/- 2%).

100 Customer satisfaction level with test procedures will be at least 94% (+/- 2%).

101 We will aim to achieve an average waiting time of 21 days for vehicle tests.

102 We will aim to achieve an average waiting time of 23 days for practical driving tests.

103 By 31 March 2006, take-up of electronic booking options will increase to 50%.



strategic business objective 5

TO INCREASE EFFICIENCY

Introduction

104 The Agency has an obligation to deliver value for money for customers and other stakeholders, and to increase progressively the efficiency with which its services are provided. This reflects a range of pressures including the requirement to maintain public confidence and the demands of the Government's ongoing drive to increase the efficiency of public services generally.

Key Task

105 We will consider new approaches to managing the performance of teams in business units.

Other Tasks

106 We intend to take forward the implementation of an efficiency strategy to ensure ongoing efficiency gains.

107 Although trends in the Agency continue to be relatively favourable, we recognise the need to monitor the impact of revised absenteeism procedures and the impact of other actions targeted at reducing absenteeism.

108 We will seek to develop the use of video and audio conferencing as a means of communicating more efficiently.

109 The IS strategy will be reviewed.

110 We will consider the options available for telecommunications network and support services, following the 2004-05 review by PricewaterhouseCoopers, and decide the way forward.

111 The centre manager's return (CMR) will be reviewed, with a view to achieving more effective recording of test volumes, resource utilisation, etc, and improved management information.

112 In partnership with Romaha, we will seek to resolve outstanding issues in relation to the efficiency and cost-effectiveness of the MOT2 project.



strategic business objective 5

Key Measures and Targets

113 We aim to ensure that standard hour costs do not exceed £61.41.

114 We aim to achieve an aggregated cost efficiency (ACE) index figure of at least 2.82%.

115 We aim to achieve a return of 3.5% on the value of the assets employed in delivering services.

116 We will meet the Departmental prompt payment target of 30 days.



strategic business objective 6

TO MAINTAIN AN EFFECTIVE SYSTEM OF CORPORATE GOVERNANCE

Introduction

117 This objective involves identifying and managing risks to the successful delivery of the Agency's strategic objectives, and maintaining an effective system of internal control, including establishing and maintaining appropriate quality management and internal audit arrangements.

Key Task

118 We will undertake a major review of the Agency's strategy through consultation with key stakeholders, benchmarking and horizon scanning.

Other Tasks

119 This year will see the introduction of a revised version of the balanced business scorecard as a business planning tool.

120 We will instigate a renewed self-assessment against the business excellence model of the European Foundation for Quality Management (EFQM), to identify gaps and consider actions to facilitate business improvement.

121 We will initiate a fundamental review of the Agency's information requirements, and seek to develop a strategy for information management.

122 In association with the Department, we will seek to undertake a fundamental review of the Agency's framework document.

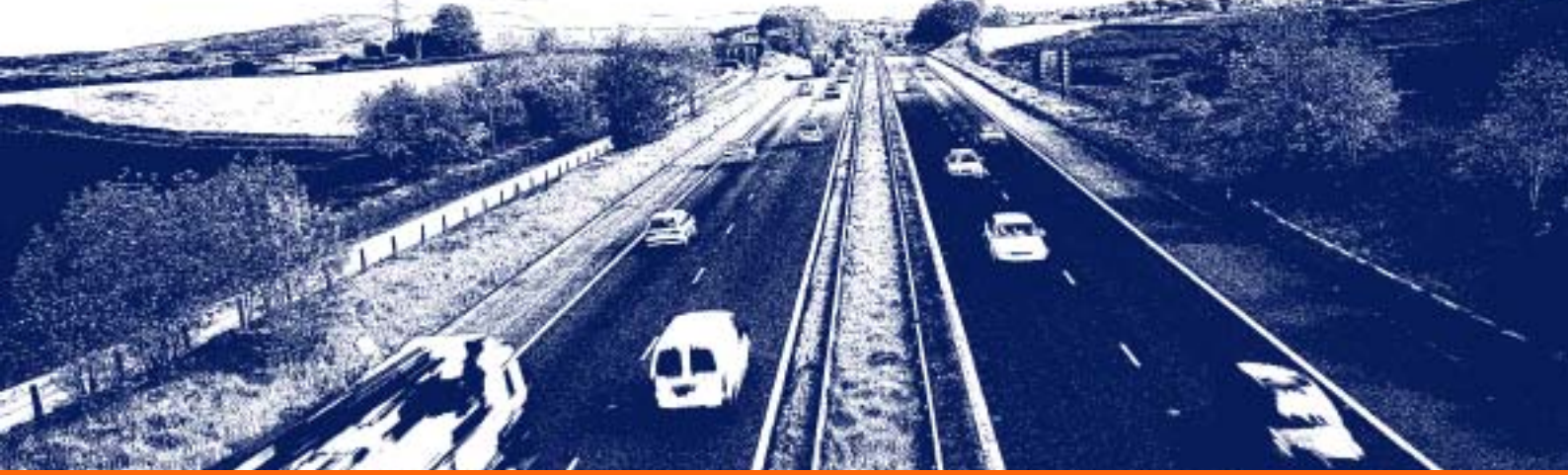
123 We will seek to develop improved systems of internal control.

Key Measures and Targets

124 By 31 December 2005, we will produce an action plan on issues to be addressed from assessment against the EFQM business excellence model.

125 By 31 March 2006, we will publish a strategic plan for the period 2006 to 2009.

126 We will aim to achieve a rating of 'reasonable' or better in relation to the overall internal control assurance ratings determined by Internal Audit.



appendices



appendices

APPENDIX A

SUMMARY OF KEY PERFORMANCE TARGETS

Key Target	2004-05	2005-06
1 Vehicle tests – average appointment waiting times	21 days	21 days
2 Driving tests – average appointment waiting times	23 days	23 days
3 Customer satisfaction with booking arrangements (+/-2%)	92%	92%
4 Customer Satisfaction with test procedures (+/-2%)	94%	94%
5 Level of compliance with theory test service standards	93%	93%
6 Standard Hour Cost	£61.63	£61.41
7 Aggregate Cost Efficiency (ACE) index	2.53%	2.82%
8 Return on capital	3.5%	3.5%



APPENDIX B

SUMMARY OF KEY MANAGEMENT TASKS

Key Task	Target Date
1 Roll out an enforcement strategy that will encompass a revised means of measuring enforcement performance. The strategy will focus on developing intelligence on all operators and drivers so that education, advisory and enforcement activities can be targeted according to the assessed risk that they present	30 September 2005
2 Implement the first phase of a quality control regime for vehicle testing	31 March 2006
3 Develop a staff charter	31 March 2006
4 Develop a strategy to ensure that waiting times for test appointments are brought within target	31 March 2006
5 Consider new approaches to managing the performance of teams in business units	31 March 2006
6 Undertake a major review of the Agency's strategy through consultation with key stakeholders, benchmarking and horizon scanning	31 March 2006

appendices

APPENDIX C

INCOME AND EXPENDITURE

(1) Driver & Vehicle Testing

Category	Item	2004-05 Business Plan £'000	2005-06 Business Plan £'000
Income	Driver – Practical	2,052	2,294
	Driver – Theory	861	881
	Vehicle	18,385	20,129
	Other	594	611
Total		21,892	23,915
Expenditure	Payroll – Note 1	11,712	12,786
	General HQ Admin	590	778
	Fuel & Water Charges	262	349
	Depreciation	527	751
	Rates	322	342
	Property Maintenance	291	312
	Plant & Equipment Maintenance	55	105
	Printing, Postage, Stationery & Telephone	481	567
	Security	82	88
	Consultancy	370	370
	Assessed Rent – Buildings	8	8
	Theory Test Contractor	750	733
	Return to Consolidated Fund (net of interest received)	467	505
	Credit Card Charge	71	81
	Bank fees	-	36
	Training	200	220
	Office Equipment (including computers)	120	135
	Travel & Subsistence	230	230
	Top Management and Audit Fee	26	26
	Contract Cleaning	90	92
Advertising & Publicity	31	31	
Uniform & Protective Clothing	60	60	
Other Incidentals	10	10	





APPENDIX C cont'd

INCOME AND EXPENDITURE

(1) Driver & Vehicle Testing

Category	Item	2004-05 Business Plan £'000	2005-06 Business Plan £'000
	Insurance	113	120
	PFI Contract (MOT2) – Note 3	3,280	3,332
	Booking Services Contract	1,566	1,677
	Construction Service	100	100
Totals		21,814	23,844
Net Surplus		78	71

Notes

Salary costs reflect wage inflation and increased pension contributions.

(2) Enforcement

Category	Item	2004-05 Business Plan £'000	2005-06 Business Plan £'000
Income	Central Funding	1,128	1,379
	Taxi Receipts	140	141
		1,268	1,520
Expenditure	Payroll	913	1,158
	General Administration	160	160
	Current	113	119
	Capital	82	83
Totals		1,268	1,520

Enforcement activity levels are shown at Appendix 2.

appendices

APPENDIX D

CASH FLOW

Item		2005/06 (£'000)
Surplus for year		71
Add back Depreciation	751	
Return on Capital Employed	505	
		1,256
		1,327
Capital Expenditure		
IT	150	
IS Strategy	1,400	
Plant & Equipment	100	
Building Development	900	
		2,550
Payment to Consolidated Fund		505
Insurance Fund		120
Investment Loans		1,800
Decrease in Creditors		2,022
Movement in Cash Balances		(2,070)
Opening Balance at NI Consolidated Fund		3,656
(Decrease) in Funds		(2,070)
Closing Balance NI Consolidated Fund		1,586



APPENDIX E

BALANCE SHEET

Item		2004/05 Project Outturn (£'000)	2005/06 Business Plan (£'000)
Fixed Assets			
Tangible		12,038	13,957
Intangible		<u>477</u>	<u>357</u>
		12,515	14,314
Current Assets			
Stock		8	8
Debtors		340	340
Insurance Fund		347	467
Consolidated Fund		3,656	1,586
Cash		<u>8</u>	<u>8</u>
		4,359	2,409
Current Liabilities			
Fees in Advance		4,084	2,184
Other Creditors		<u>2,022</u>	<u>1,900</u>
		6,106	4,084
Nett Current Liabilities		(1,747)	(1,675)
		10,768	12,639
Deferred Creditors		<u>1,985</u>	<u>1,985</u>
Nett Assets		8,783	10,654
Financed by:			
Public Dividend Capital		2,100	2,100
Originating Loan		1,431	1,431
Investment Loan		-	1,800
Capital Reserve		<u>1,621</u>	<u>1,621</u>
Revenue Reserve		3,631	3,702
Totals		8,783	10,654



appendices

APPENDIX F

CAPITAL EXPENDITURE PROJECTION

Item	2005/06 (£'000)
IT	150
IS Strategy	1,400
Building Improvements - Motorcycle test	400
Building Improvements - Tarmacing	400
Disability Discrimination Act Enhancements to Buildings	100
Contingency	100
Total	2,550





APPENDIX G

STAFFING LEVELS

Item	2004/05	2005/06
Technical staff at test centres	271.0	275.00
Administration staff at test centres	90.0	90.0
HQ staff (administration and technical)	106.5	116.0
Enforcement staff	32.0	32.0
Totals	499.5	513.0



appendices

APPENDIX H

TEST DEMAND

Category	Estimated Applications	
	2004-05	2005-06
Vehicle Testing		
Motor car	450,952	470,636
Motorcycles	10,917	12,660
Light Goods	37,825	38,835
Heavy Goods – 2 axle	14,653	14,872
Heavy Goods – 3 axle	2,381	2,414
Heavy Goods – 4 axle	1,220	1,359
Artic 2	3,915	4,204
Artic 3	1,779	1,907
Trailer	11,656	12,198
Omnibus	2,678	2,581
Taxi	7,500	7,585
LPCV	2,775	2,641
Sub Total	548,251	571,892
Fail to Appear	17,989	18,862
Sub Total	566,240	590,754
Retests	117,624	132,743
Fail to Appear	3,578	4,085
Sub Total	121,202	136,828
Vehicle Test Total	687,442	727,583



APPENDIX H cont'd

TEST DEMAND

Category	Estimated Applications	
	2004-05	2005-06
Driver Testing		
'L' Test Private Cars	45,610	47,966
'L' Test Motorcycles	2,053	1,921
LGV (lorry)	2,095	2,157
PCV (bus)	498	478
Car and trailer	413	379
Sub-Total	50,669	52,901
Theory Test	42,000	43,000
Driving Test Total	92,669	95,901
Enforcement		
Goods Vehicles	24,100	24,100
Taxis	2,700	2,700
Buses	900	900
Tachograph Charts	25,000	25,000
Emissions (diesel)	700	700
Emissions (petrol)	500	500
Joint Operations- Cross Border	3	3
Cross Channel	1	1
Enforcement Total	53,904	53,904
Overall Total	834,015	877,388



appendices

APPENDIX I

VEHICLE TEST FEES

Fee Category	Current Fee (from April 2003)		Proposed Fee (from October 2005)	
	Full Test (£)	Retest (£)	Full Test (£)	Retest (£)
Motor Vehicle Tests				
Class I Light Motor Bicycles	20.50	13.00	22.00	14.00
Class II Motor Bicycles	20.50	13.00	22.00	14.00
Class III Light Motor Vehicles	28.00	17.50	30.50	18.50
Class IV Motorcars and Heavy Motorcars	28.00	17.50	30.50	18.50
Class V Large Passenger Carrying Vehicle	38.50	18.50	41.50	19.50
Class VI Minibus 9-16 seats	38.50	18.50	41.50	19.50
Class VA Minibus 13-16 seats	50.00	18.50	53.50	19.50
Class VA 17-35 seats	61.00	30.00	65.00	32.00
Class VA 36+ seats	75.50	41.00	81.00	44.00
Class VIA Minibus	50.00	18.50	53.50	19.50
Single Vehicle Approval (SVA)	200.00	60.00		
Vehicle Identity Check	26.50		35.00	
Goods Vehicle Tests				
Light Goods – 3,500kg or under	28.00	17.50	30.50	18.50
HGV – 2 axle	35.00	17.50	37.50	18.50
HGV – 3 axle	45.00	17.50	48.50	18.50
HGV – 4 axle	56.00	17.50	60.00	18.50
Articulated Lorry – 2 axle	39.00	18.50	42.00	19.50
Articulated Lorry – 3 axle	51.00	18.50	55.00	19.50
Trailer	T1 32.50	18.50	T1 35.00	19.50
	T2 33.50	18.50	T2 36.00	19.50
	T3 34.50	18.50	T3 37.00	19.50
Public Service Vehicles				
Omnibus Class I, II and III	63.50	18.50	83.00	19.50
Class IA	75.00	18.50	95.00	19.50
Class IIA	86.50	30.00	107.50	32.00
Class IIIA	97.50	42.00	119.50	45.00
Taxi	61.50	18.50	122.00	19.50





APPENDIX J

DRIVING TEST FEES

Fee Category	Current Fee (from April 2003)		Proposed Fee (from October 2005)	
	Day	Sat/Evg	Day	Sat/Evg
A1 Light motorcycle (75cc-120cc)	47.00	59.00	53.50	66.00
A Motorcycles (over 120cc and not larger than 125cc)	47.00	59.00	53.50	66.00
B1 Tricycle/quadricycle	47.00	59.00	53.50	66.00
B Motorcar	39.00	50.50	42.00	58.00
B+E Motorcar and trailer over 750kg	55.00	83.00	61.00	92.00
C1 Goods vehicle 3500kg-7500kg gross vehicle weight	55.00	83.00	61.00	92.00
C1+E C1 Goods vehicle and trailer over 750kg	55.00	83.00	61.00	92.00
C Large goods vehicle over 3.5 tonnes	55.00	83.00	61.00	92.00
C+E Goods vehicle and trailer over 750kg	55.00	83.00	61.00	92.00
D1 Minibus 8-16 seats	55.00	83.00	61.00	92.00
D1+E D1 Motor vehicle and trailer over 750kg	55.00	83.00	61.00	92.00
D Motor vehicle with more than 8 seats	55.00	83.00	61.00	92.00
D+E D Motor vehicle and trailer over 750kg	55.00	83.00	61.00	92.00
F Agricultural tractor	39.00	-	42.00	-
G Road roller	39.00	-	42.00	-
H Tracked vehicle	39.00	-	42.00	-
K Mowing machine/pedestrian controlled vehicle	39.00	-	42.00	-
P Moped	47.00	59.00	53.50	66.00
All Theory Test	20.50	-	20.50	-
Extended Driving Test (after disqualification)				
Car		78.00		84.00
Motorcycle		94.00		107.00



appendices

APPENDIX K

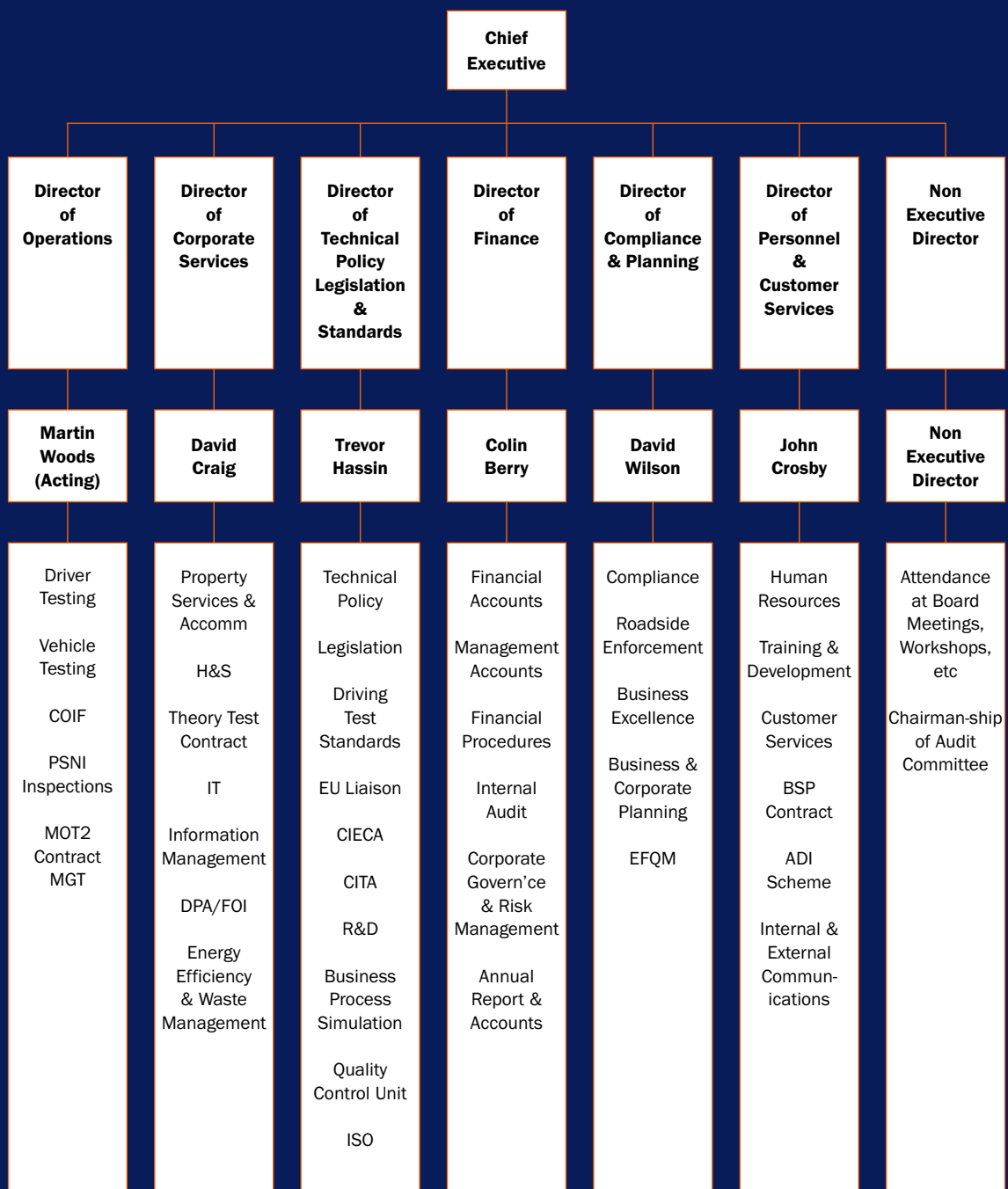
MISCELLANEOUS TEST FEES

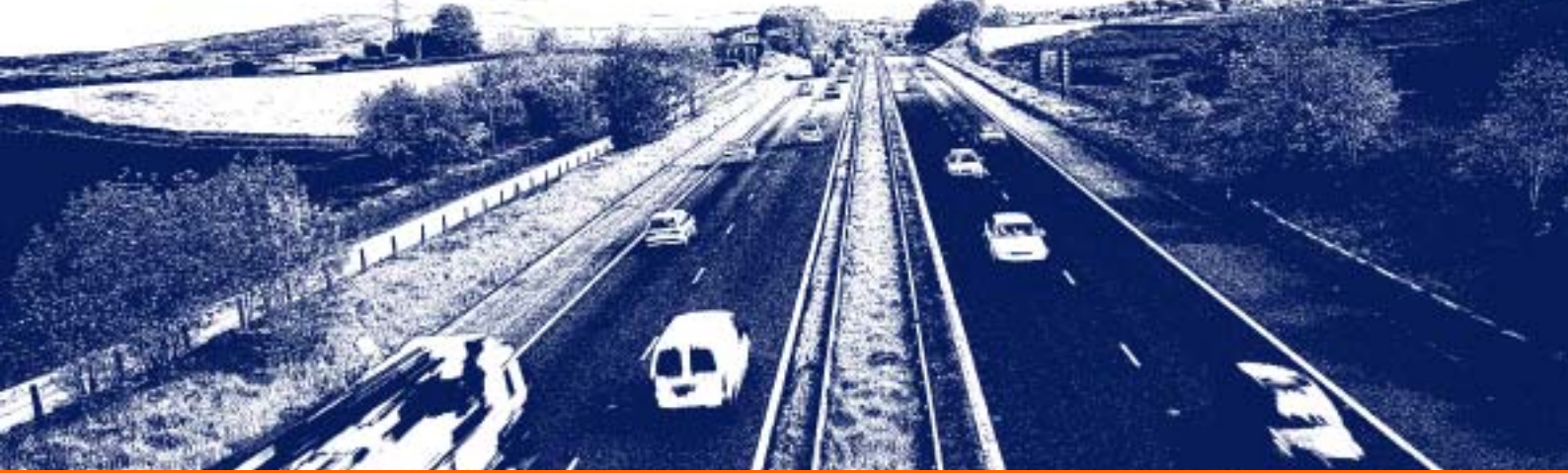
Fee Category	Current Fee Full Test Fee (£) (from April 2003)	Proposed Fee Full Test Fee (£) (from October 2005)
Duplicate Certificates	10.00	10.00
TIR (initial)	140.00	140.00
TIR (re-inspection)	70.00	70.00
Tachographs – approval	336.00	336.00
Tachographs – annual renewals	102.00	102.00
Accident Reports	21.00	21.00
ADI – Written Test	72.00	72.00
ADI – Test of Driving Ability	130.00	130.00
ADI – Test of Ability to Instruct	138.00	138.00
ADI – Trainee Licence	120.00	120.00
ADI – Registration/Renewal	240.00	240.00



APPENDIX L

PROPOSED STRUCTURE OF MANAGEMENT BOARD





corporate plan 2005-07



corporate plan 2005-07

Introduction

- 1 The purpose of the corporate plan is to outline the strategic direction for the Agency over the two-year period from 2005 to 2007. It identifies some of the key themes for the future, and considers the issues likely to be of significance. It also includes assumptions about projected demands for key services, and indicates what changes might be expected in key targets.
- 2 The structure of the corporate plan follows that of the business plan, with a short section on each strategic business objective followed by a summary of financial and staffing projections, Ministerial targets and other key data.

Strategic Business Objective 1 - Compliance

- 3 We are committed to improving the level of compliance in relation to relevant road traffic requirements.
- 4 We intend to continue implementation of the Agency's compliance strategy throughout the corporate planning period, and we will seek to achieve year on year improvements in compliance levels.
- 5 We will address the implications of both the operator licensing and taxi reviews
- 6 We will continue to develop the roadside enforcement function. We will seek in particular to maximise the returns achieved in terms of the Agency's underlying business objectives by implementing a revised enforcement strategy and by appropriately targeted enforcement activity.

Strategic Business Objective 2 - Testing

- 7 In order to promote our underlying purposes of improving road safety through the implementation of activities aimed at increasing compliance, reducing negative impacts on the environment through the control of emissions, supporting fair play for motorists and commercial operators and contributing to crime reduction, we intend to remain firmly focused throughout the corporate planning period on the challenge of meeting our statutory and public service responsibilities by delivering the right tests to the appropriate quality standards, and in a manner that meets the needs of our customers and stakeholders.
- 8 We intend in particular to continue to quantify the extent of the Agency's contribution in each area, and we will seek as far as possible to develop performance measures and outcome-oriented targets. We will be using a revised version of the balanced business scorecard as a mechanism to help us to do this.



- 9 In order to meet the demand for tests, we will seek to develop and improve our forecasting and planning capabilities by, for example, identifying the key determinants of demand and by developing more sophisticated data analysis, forecasting, capacity utilisation and modelling techniques. We will continue to develop the use of business process simulation software within the Agency in order to assist with refining processes such as production management procedures, and to assist with business planning.
- 10 To ensure that tests are conducted to appropriate standards, we will continue to develop and improve the quality control regime for both driver and vehicle tests. In addition to internal mechanisms, based on ISO principles, we will seek to ensure that testing standards are subject to external and independent validation. The use of Six Sigma will be considered as a process improvement tool.
- 11 Where possible we will continue to benchmark our performance levels against those of comparable organisations elsewhere.

Strategic Business Objective 3 - Staff

- 12 We recognise that people represent the Agency's key resource, and we are committed both to achieving business objectives and to meeting the needs of staff through appropriate investment in training and development.
- 13 We remain committed to the Investors in People (IIP) standard as the framework within which we intend to apply these principles in practice.
- 14 Our training delivery will ensure that all appropriate staff are trained to meet changes arising from new EU directives, eg, changes to the second EC directive on driver licensing and new motorcycle manoeuvres.
- 15 We also plan to consider ways of improving the gender balance of the Agency's workforce, and of increasing levels of flexibility in working patterns.

corporate plan 2005-07

Strategic Business Objective 4 - Customers

- 16 We recognise that customers have no choice but to avail themselves of the Agency's services, and we aim to deliver high standards of service in order to make their experience as positive as possible. Subject to value for money considerations, we will seek to achieve year on year improvements in performance levels and aim where possible to increase levels of customer satisfaction.
- 17 We will continue to look for ways to provide customers with increased choice, convenience and control over the means by which they access the Agency's services. We will also continue to analyse in detail the customer experience of both booking and testing, and look for opportunities to meet or exceed customers' expectations.
- 18 We will continue to consult and involve customers in all relevant aspects of the Agency's business and corporate planning processes.
- 19 We remain fully committed to treating all customers fairly and equitably. In relation to the groups specified in Section 75 of the 1998 Northern Ireland Act, we will assess the impact of proposed new policies and monitor the impact of existing policies.
- 20 With the full implementation of the freedom of information legislation on 1 January 2005, increasing amounts of information will be published on the internet and through the Department's publication scheme.

Strategic Business Objective 5 - Efficiency

- 21 We will seek to increase efficiency year on year throughout the corporate planning period. In particular, we will aim to achieve a balance between the demand for lower costs and the demands of customers for increased choice and higher standards of service.
- 22 We will seek to utilise existing resources more effectively, using new technology where appropriate, and look for innovative ways of meeting new challenges.
- 23 We will work with the MOT2, booking services and theory test contractors to improve the effectiveness and efficiency of contracted-out services.
- 24 We will continue to work with the Department on the development and implementation of a common file plan and an electronic document and records management (EDRM) system.



Strategic Business Objective 6 - Corporate Governance

- 25 In order to maintain an effective system of corporate governance, we will utilise the full range of internal control mechanisms available, and seek to identify and apply best practice. We will focus in particular on outcomes, and aim to achieve effective control with value for money.
- 26 We will continue to apply a risk-based approach to corporate governance, and seek to integrate the principles of risk management more fully into the Agency's corporate and business planning processes.
- 27 We will use the business excellence model of the European Foundation for Quality Management as the framework within which positive organisational change will be promoted and managed, and utilise the balanced business scorecard for the purposes of performance management.
- 28 We will seek to identify, acquire and manage the information and data required to enable the Agency to be led and managed effectively and in the interests of all of the stakeholders involved.
- 29 We intend to address proactively the outcomes of the Agency's proposed strategic review in 2005-06.

Performance Against Key Targets

- 30 Progress against the eight key Ministerial targets included in the Agency's framework document is expected to reflect the following pattern.

Target	Business Plan 2005-06	Projected 2006-07
Average waiting time - vehicle tests	21 days	20 days
Average waiting time - driving tests	23 days	22 days
Customer satisfaction - booking	92%*	92%*
Customer satisfaction - test procedures	94%*	94%*
Compliance with theory test service standards	93%	94%
Standard hour cost	£61.41	£60.49
Aggregated cost efficiency (ACE) index	2.82%	4.08%
Return on capital	3.5%	3.5%

*+/- 2%

corporate plan 2005-07

Staffing

31 Projected staffing levels (full-time equivalent) are as follows.

Category	Business Plan 2005-06	Projected 2006-07
Technical staff at test centres	275	296
Administration staff at test centres	90	90
HQ staff	116	116
Enforcement staff	32	32
Totals	513	534

Test Demand

32 Test demand is expected to increase by 4% for vehicle tests and by 1% for driving tests. The relevant figures are as follows.

Category	Business Plan 2005-06	Projected 2006-07
Vehicle Testing		
Car/motorcycle/taxi	507,071	527,000
Goods vehicle/bus	83,683	85,000
Totals	590,754	612,000





Category	Business Plan 2005-06	Projected 2006-07
Driver Testing		
'L' test (car)	47,966	48,000
'L' test (motorcycle)	1,921	2,000
LGV 2,157	2,000	
PCV 478	500	
Car & trailer	379	500
Totals	52,901	53,200

Driving Theory Test

Theory tests	43,000	43,000
--------------	--------	--------

Finance

33 Financial performance will be monitored against the three key Ministerial financial targets listed in the table at Appendix A to the Agency's business plan for 2005-06.

34 As indicated in the business plan, fees are scheduled to increase from 1 October 2005. No further fee increases are expected in the corporate planning period.

35 The projected income and expenditure figures are as follows.

Item	Business Plan 2005-06	Projected 2006-07
Income	23,915	24,757
Expenditure	23,844	24,657
Surplus (deficit)	71	100

corporate plan 2005-07

36 A summary of projected capital expenditure is as follows.

Item	Business Plan 2005-06	Projected 2006-07
Motorcycle manoeuvring areas	400	400
Information systems strategy	1,400	-
Accommodation	400	400
IT	150	150
Disability Discrimination Act (DDA)	100	-
Contingency	100	100
Totals	2,550	1,050

