

VEHICLE CERTIFICATION AGENCY

VCA BUSINESS PLAN 2010 - 11



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Department for
Transport

VCA BUSINESS PLAN 2010 – 11

VCA VISION

Delivering a Safe Environment

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MFS VISION

- **A leader in modern and efficient public service.**
- **Promoting road safety, effective logistics, and a cleaner environment.**
- **By working closely with partners and delivering quality services to our customers.**

FOREWORD FROM THE DIRECTOR GENERAL OF THE MOTORING AND FREIGHT SERVICES GROUP

Welcome to the 2010-11 Business Plan for the Vehicle Certification Agency, which is part of the Department for Transport's (DfT) Motoring and Freight Services (MFS) Group.

The Group brings together five of the Department's executive agencies engaged in motoring-related activity and four central Department teams with a core focus to ensure our roads are used by qualified drivers in roadworthy vehicles.

Our Group aims:

- to be a leader in modern and efficient public services;
- to promote road safety, an effective logistics industry, and a cleaner environment; and
- to work effectively with our partners in developing policies and delivering quality services to our customers.

The Group represents a significant portion of DfT's resources, with around 12,000 staff and an annual turnover of over £1.2 billion. Its businesses are at the forefront of the development of modern and efficient public services. To take just two examples, in 2010-11 the Group will provide some 44 million car tax renewals, about half of which will be carried out online, and around 2 million practical driving tests, the vast majority of are booked through an e-booking system that enables our customers to book and re-schedule their tests on-line.

This business plan identifies the contribution that the Vehicle Certification Agency intends to make to the work of the Group and its contribution towards the Department's overall aim of transport that works for everyone.

Steve Gooding
Group Director General

FOREWORD FROM THE CHIEF EXECUTIVE OF VCA

Over the past year the Global automotive industry has suffered a significant downturn in new vehicle sales as a result of the international recession. Major manufacturers like GM and Chrysler have significantly downsized their operations, having been through Chapter 11 in North America. Most automotive assembly plants have been shut for extended periods, or on short working weeks, to reduce inventory and to meet the reduced demand, with a consequent impact on the supply chain. The commercial vehicle sales, especially in Europe, have been particularly badly hit, down circa 50% on plan. We are now seeing most of Europe coming out of recession, with China and India growing at double digits, in fact China has recently overtaken the USA as the largest vehicle market. So we can now look forward to growth in the sector in the next Financial Year, albeit remaining below the growth experienced in the middle of the last decade. Despite the problems in the industry, VCA revenues have performed very well, significantly above the industry norm, and thus we can look forward to this new year with some confidence. The drive for reduced CO₂, and improved efficiencies is generating new powertrain products into the market, particularly in the small car and light truck segments. VCA's focus on technology development and capability should enable us to remain at the forefront of the automotive certification area.

The Recast Framework Directive 2007/46 will continue to influence our type approval business during 2010-11 as buses, trailers (including caravans) and some goods vehicles are brought in to scope as EC Whole Vehicle type approval expands.

VCA is now well established in the field of the certification of the packaging of Dangerous Goods. Our responsibilities include a diverse range of product requirements, including new testing methodologies for aerosol cans, and the compliance with Organisation for Economic Co-operation and Development (OECD) regulations for bulk tank transporters, tanks and pressure vessels, packaging. We plan to build on the success of the 2009 VCA Dangerous Goods Conference by holding a subsequent Conference in mid 2010.

Our expertise on the enforcement activities continues to grow, and we were recently appointed by Department for the Environment, Food and Rural Affairs (DEFRA) to enforce the The Waste Batteries and Accumulators Regulations 2009, which will run alongside our responsibilities to the Department for Business, Innovation and Skills (BIS) for the Waste Electrical and Electronic Equipment directive, giving a smart and efficient package to government and industry.

VCA will make a significant investment in IT hardware and operating systems this year, to continue to improve the data security and integrity of the Agency, and to improve the quality and efficiency of our operations. As our work has become more global, we need to ensure that all transactions and deliverables are maintained to the highest quality and integrity.

Our Ministerial targets will focus on improving systems, quality of service, and efficiency of delivery. We will continue to improve; value for money and quality for our customers, and systems and operations for our staff. We can look forward to another successful year for the Agency.

Paul Markwick
Chief Executive

INTRODUCTION AND SUMMARY

- The Vehicle Certification Agency (VCA) is an Executive Agency of the Department for Transport (DfT) and an integral part of the Motoring and Freight Services (MFS) Group.
- VCA is supporting the MFS Group with the delivery of its six strategic outcomes.. The MFS strategic outcomes are:
 - **Improved road safety**, through developing and delivering new policy initiatives and Agency activity focussed on ensuring drivers are qualified and vehicles are roadworthy;
 - **Reduced impact on climate change and the environment** through a range of external and internal activities;
 - **Improved transport networks and supply chains**, bringing benefits to the logistics sector, other businesses and to the general public;
 - **Transformed, customer focussed, convenient, e-enabled services**;
 - **Sustained provision of high quality, efficient, secure data and data systems**;
 - and
 - **Greater efficiency, better value for money** and a well equipped, well managed and motivated workforce

The VCA Secretary of State targets for 2010-11 are framed around this MFS agenda and represent the key priorities for the Agency for the year ahead.

- 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 and environmental protection. As a consequence of this VCA provides data to the public as well as other DfT agencies.
- VCA is also the administrator for the approval of packages for the carriage of dangerous goods. The transport of dangerous goods is governed by a United Nations and European regulatory framework, determined, in the first instance, by the United Nations Economic and Social Committee. The regulatory framework determines that all dangerous goods are transported in packages tested and certified as being suitable for transport to protect the safety of individuals, the public, society and the environment, further supporting the practical contribution VCA makes in these important areas.
- VCA also operates, on behalf of Business Innovation and Skills (BIS) the Department for Environment, Food and Rural Affairs (DEFRA) as the nominated enforcement body for a number of Statutory Instruments arising from European directives, such as the obligations under the European emissions standards, gaseous emissions of Non Road Mobile Machinery, standards for replacement catalytic converters, the noise emissions from equipment designed for outdoor use, the environmentally friendly disposal of Waste Electrical and Electronic Equipment (WEEE) and portable batteries and accumulators.
- VCA takes its policy lead from DfT centre, in particular Road and Vehicles Safety Standards (RVSS), Dangerous Goods Division (DGB) and Cleaner Fuels and Vehicles (CFV). VCA works closely with colleagues in DfT policy divisions, bringing real time industry and technical knowledge.
- VCA supports DfT Traffic Management Division (TM) in providing a certification service to local authorities who wish to implement bus lane and parking enforcement camera systems.

- In addition to statutory work VCA provides a range of Management System Certification (MSC) services to the automotive industry supporting the ongoing compliance to the Type Approval requirements and regulations. These allow the automotive industry to demonstrate that they have the systems in place, not only to ensure the quality of their products, but also to minimise the impact on the environment from the manufacturing and design processes.
- VCA provides a practical contribution to the achievement of DfT objectives of reducing road killed and seriously injured (KSIs), and reducing the damaging environmental effects arising from transport through Type Approval compliance.
- The VCA published database of CO₂ emissions from passenger cars underpins the graduated Vehicle Excise Duty (VED) and Company Car tax schemes, and the “Act on CO₂” campaign. The VCA web site, receives more than 750,000 unique visitors and more than 12 million page visits annually, supporting the Governments strategic drive towards the reduction in CO₂ emissions. (A **unique visitor** is a statistic describing a unit of traffic to a Web site, counting each visitor only once in the time frame of the report. This statistic is relevant to site publishers and advertisers as a measure of a site's true audience size, equivalent to the term "Reach" used in other media).
- VCA chairs the Vehicle Technology Forum, working with DfT policy leads, other DfT agencies and the Chief Scientific Advisors Unit. This forum shares knowledge, understanding and experience of emerging Vehicle Technologies for best effect and value.
- VCA provides a UK base for the global automotive industry to gain access to the European and other legislative markets as well as supporting UK industry in meeting the requirements for export to these markets.

STRATEGIC OUTCOMES

The purpose of VCA is to deliver DfT policy in respect of new vehicle, systems and components Product Certification, and to support the Departmental Strategic Objectives (DSO) with a range of related product offerings.

The VCA strategic outcomes are described as: -

Improved Road Safety

- By ensuring through vehicle Type Approval schemes, support and information provided to manufacturers, that new vehicles, systems and components are designed and manufactured to the appropriate national, European and international road safety standards.
- By working with DfT and BIS policy colleagues, so that VCA's operational experience helps their formulation of future standards and schemes plus developing VCA capabilities and expertise.
- By exploring with DfT policy colleagues the potential safety benefits of emerging automotive technologies.
- By testing safety critical vehicle systems and components available in the UK marketplace.
- By testing the safety of adapted vehicles for personal use.
- By ensuring through the United Nations (UN) package certification scheme that dangerous goods are transported safely, and to prevent harmful exposure to the environment.
- By supporting DfT on developing interactive channels for the supply of information on the carriage of dangerous goods, including operating a telephone helpline.

Reduced Impact on Climate Change and the Environment.

- By enforcing European Directives for road vehicles on gaseous emissions and noise.
- By conducting emissions testing on in-service passenger cars up to 5 years old, in support of the Type Approval regulations.
- By publishing CO₂ data for cars and vans on Direct.gov and VCA's fuel consumption web site and improving awareness.
- By supplying CO₂ data and Point of Sales software to car dealers to inform citizens considering new car purchases.
- By ensuring through vehicle Type Approval schemes, support and information provided to manufacturers that, new vehicles, systems and components are designed and consistently manufactured to appropriate environmental protection and crime prevention standards.
- By enforcing Non Road Mobile Machinery (NRMM) gaseous emissions standards.
- By enforcing the distributor obligations under the WEEE legislation.
- By enforcing the distributor obligations under the waste batteries and accumulators legislation.

- By enforcing standards for replacement catalytic converters.

Improved Transport Networks and Supply Chains

- By ensuring through vehicle Type Approval schemes, support and information provided to manufacturers, that new vehicles, systems and components are designed and consistently manufactured to appropriate safety standards, assisting in the reduction of and severity of accidents, improving the quality and reliability of products, thus not only reducing KSI's but also congestion.
- By supporting DfT TM Division in the certification of bus lane and parking enforcement camera systems to reduce the potential for congestion with incorrectly parked vehicles.
- By supporting DfT on the development of emerging technologies.

Transformed, Customer Focussed, Convenient, e-Enabled Services

- By providing approval, certification, related services and advice.
- By adding value, responding to the needs of industry and government on price, speed, flexibility and effectiveness.
- Providing modern and efficient e-services consistent with the DfT Service Transformation programme, delivering the measures set out in the Government wide Service Transformation Agreement (STA), including the use of Directgov and Business Link where appropriate.
- By working with other parts of the DfT and VCA's worldwide partners to help ensure that services are delivered in a seamless, integrated and innovative fashion.
- By developing knowledge of developing science and technology issues relevant to VCA work and establish a mechanism to make information available to VCA, other agencies, and DfT.
- By continuing to develop VCA's understanding of and readiness for the use of computer simulation in place of physical type approval testing, in parallel with the development of EC legislation. Continuing to deliver the forward plan developed from the VCA/TTS (Transport Technology and Standards Division) project completed during 2007-08. Support TTS in the development of UK policy on this subject.
- By operating in real time when and where customers require.
- By improving access for automotive and component manufacturers to VCA products and services through its global presence and updating available e-channels on a regular basis to make available the latest information in a customer friendly manner.
- By further expanding the compliance management system (CMS) that helps to minimise the regulatory impact and lead to better regulation for industry.
- By the development and implementation of customer accessible web enabled MSC and Type Approval systems.

- By providing high quality and consistent Type Approval interpretations from all VCA offices and our clients.
- Supporting the DfT implementation project for the Recast Framework Directive (RFD) for European Community Whole Vehicle Type Approval (ECWVTA). Developing efficient processes and systems to assist UK manufacturers to obtain approval and delivering Conformity of Production (CoP) in a cost-effective manner.
- HM Treasury and Cabinet Office have published a Service Transformation Agreement (STA) which underpins the CSR07. The Agency will contribute to the department's delivery of these measures and support the Department's Service Transformation vision of "A Department that designs all of its services around the needs of its customers and business, providing modern and efficient services, whilst ensuring it has the capability to deliver
- By delivering our and DfT's customer promise:-
 - We will provide a full response to enquiries quickly.
 - We will provide a full response to complaints quickly.
 - We will respond to telephone calls promptly and endeavour to resolve all enquiries at the first call.
 - We will use reliable and accurate methods to measure customer satisfaction on a regular basis.
 - We provide our customers with information that is clear, accurate and complete. If we do not have all the information required, we will advise customers when they will receive the information they requested.
 - Our staff are polite and friendly to customers at all times and understand our customer needs.
 - We make information about the full range of services we provide available to our customers and potential customers, including how and when people can contact us, how our services are run and who is in charge.
 - We have policies and procedures that support the right of all customers to expect excellent levels of service."

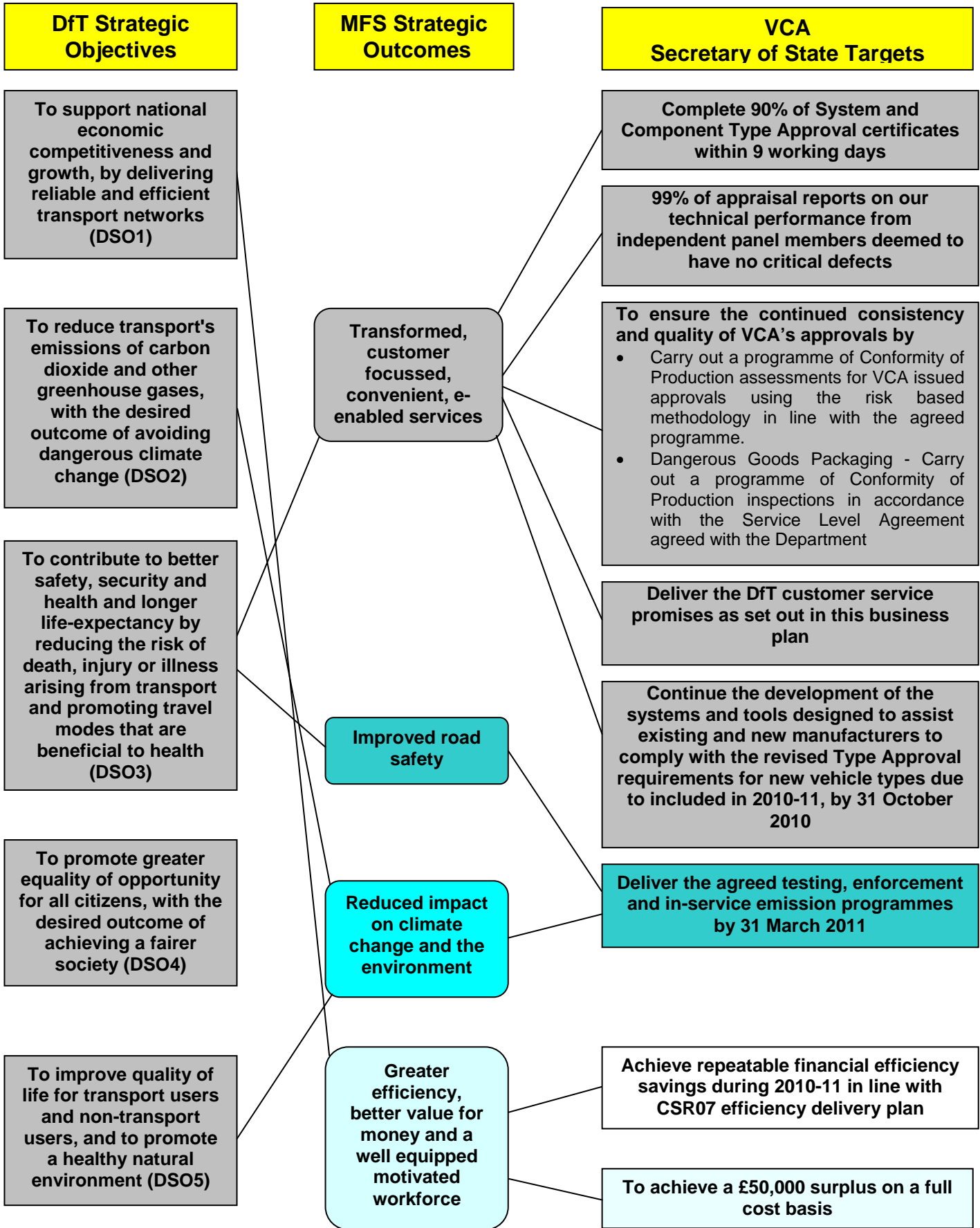
Sustained Provision of High Quality, Efficient, Secure Data and Data Systems

- By ensuring that we have well developed and tested business continuity plans.
- By investing in ICT Infrastructure, including the implementation of Storage Area Networks in two different offices with online replication providing greater resilience and security.
- By upgrading remote access facility to provide better access to data while maintaining data security integrity.
- Through the planned implementation of virtualisation during 2010-11 to reduce number of servers (Green ICT Agenda), and further improve resilience.
- Ensuring that business processes and systems are regularly audited and improvements actioned promptly.
- Accreditation of all new ICT systems before implementation.

Greater Efficiency, Better Value for Money

- By achieving repeatable financial efficiency savings consistent with the Comprehensive Spending Review 2007 (CSR07), whilst investing in VCA infrastructure and skills.
- Recovering costs taking one year with another and meeting financial our target as set by the Secretary of State to deliver a £50,000 surplus on a full cost basis in 2010-11.
- By maintaining our financial performance across all major Type Approval areas and improving it in MSC in a difficult and uncertain global economic climate.
- By further developing the co-operation and collaboration between VCA and other agencies and departments including the Office of Government Commerce to maximise purchasing opportunities and efficiencies.
- By continuing to increase the productive utilisation of **all** staff across the Agency, building on the improvements achieved in the past 4 years, to achieve is 65% by 2010-11, from a baseline of 56% in 2005-06.
- By maintaining planned overall staffing levels (FTE's) in 2010-11 over the 2009-10 forecast, whilst generating an income of £13.5m.
- Migrating to the Government Banking Service (GBS) in 2010-11.

**DfT STRATEGIC OBJECTIVES - MFS STRATEGIC OUTCOMES - VCA TARGETS
DEPENDANCIES**



STRATEGIC DIRECTION AND DEVELOPMENTS

- VCA has made significant progress along the direction established in its 10 Year Business Vision over the past 5 years, and has again recently revisited this to reflect the changes in the business environment, and the learning established to date.
 - VCA has increased and maintained revenues through improving customer satisfaction, delivering new activities as well as offering new regional facilities over the last 5 years in China, India, Australia and Italy.
 - Type Approval fees and charges have been unchanged since 2006, as efficiency and value for money improvements have been delivered.
 - Technology progress has been made through participation in research activities with DfT Centre, and academia. Infrastructure changes, particularly in Information and Communications Technology (ICT) and its resilience have improved the effectiveness of VCA's operations, and further improved customer service.
 - Closer engagement with the other MFS and DfT agencies have improved cross-cutting communication, and shared information.
- The Agency intends to focus its efforts on consolidating and strengthening the current operations and infrastructure, and offering an improved service to European customers.
- We will seek efficiency and effectiveness improvements year on year and are committed to the Government's Smarter Government agenda.
- VCA will continue to develop new tools and techniques to train its staff in the ECWVTA Revised Framework Directive. VCA will also maintain the development of new systems and tools to assist existing and new manufacturers to comply with the revised Type Approval requirements, the first of which, a Compliance Management System (CMS) was launched in December 2009.
- Development and implementation of an improved MSC and Type Approval operating systems, to improve cost, quality and delivery across the VCA international offices.
- VCA plans to increase its understanding of developing sciences and technologies. In all our work – product certification, systems certification, and enforcement, customers expect VCA staff to be at the forefront of knowledge in their subject for both established and prospective technologies.
- Following the expansion of VCA into new territories and new core services such as Dangerous Goods, the need was identified in 2007-08 that investment was required to develop an integrated Agency wide management information system. A comprehensive review of the Agency data needs and operating systems was conducted, and an integrated programme of improvements is now planned Significant progress has been made and an implementation plan is currently being produced, the 2010-11 costs of which are included within this plan

PROGRESSION IN 2009-10

VCA has made considerable progress in a number of key areas towards its strategic direction and outcomes, the highlights being:-

- VCA China continues to grow, delivering a significant contribution to revenues. Additional local engineers have been recruited and are under training in order to be ready for further anticipated growth as Chinese car makers are expected to push into Europe in 2011.
- VCA Italy has built upon existing business within Italy and helped to secure new Type Approval business.
- VCA India has continued to nurture new clients within a culture where long term relationships are so important, setting the foundations to provide certification services as the automotive industry pushes into exports. This has become particularly important during 2009-10 as Indian industry invested heavily in UK automotive manufacturing.
- On 1 February 2009 DfT passed responsibility to VCA for appointing bodies for the inspection of tanks and pressure receptacles to undertake the inspection of tanks and transportable pressure equipment, ranging from small gas cylinders to road tankers. VCA has since launched a harmonised scheme to improve for industry the ease of operating what were several disparate schemes.
- VCA hosted a highly successful Dangerous Goods Conference at Birmingham, supported by related approval and Enforcement bodies and the Industry.
- On 1 April 2009 VCA assumed responsibility for the processing of individual Vehicle Special Orders (VSO) under S44 of the Road Traffic Act 1988, transferred from TTS Division of DfT. VCA issued 191 Orders covering 718 vehicles in the first three quarters of 2009-10.
- The introduction of the VCA Compliance Management System (CMS), this is a tool to facilitate effective management of the Type Approval process by manufacturers especially helping SMEs, affected by the RFD. The product provides a robust mechanism to support compliance with regulatory requirements and reduce the regulatory burden on industry.
- Work continued certifying traffic enforcement camera system of behalf of DfT TM Division. During the first three quarters of 2009-10 VCA certified 29 bus lane systems, 29 parking systems, and has accepted 26 formal updates.
- Development of MSC and Type Approval systems to provide improved efficiencies both for VCA and our customers, including allowing customers to access on line status of jobs.

THE EUROPEAN AND UK DOMESTIC REGULATORY CLIMATE

- Mandatory EC whole vehicle type approval will apply from the following dates:

Completed vehicles of categories M2, M3 new types	29 April 2010
Incomplete and complete vehicles of category N1 new types	29 October 2010
Incomplete and complete vehicles of categories N2, N3, O1, O2, O3, O4 new types	29 October 2010
Incomplete and complete vehicles of categories M2, M3 existing types	29 October 2010

- New provisions are proposed, to take effect on 29 April 2010 that will permit virtual testing in place of physical testing and for manufacturers to submit some unwitnessed test reports, both for a limited range of subjects set out in the recast framework Directive.
- Changes to the definitions of vehicle type are proposed, to take effect in January 2011, that will alter the scope and number of EC whole vehicle approvals issued
- The following EC Directives and Regulations are due to be transposed into GB type approval law during the year or are anticipated:

Directive/Regulation	Subject matter	Transposition deadline
2009/108/EC	Motorcycle emissions / noise	30/04/2010
2009/139/EC	Statutory plates	01/06/2010
78/2009/EC	Pedestrian Protection	*
79/2009/EC	Hydrogen powered vehicles	*
661/2009/EC	General Safety	*
595/2009/EC	Euro VI emissions (heavy duty engines)	*
Not published yet	Exemption for Tractors from Machinery Directive	30/06/2010 (provisional)
Not yet published	Various General Safety related regulations	-
Not yet published	Power take off controls for tractors	Oct 2010 (provisional)
Not yet published	Completion of whole vehicle type approval for T4.3 tractors	Jan 2011

* EC Regulations apply automatically through EC law but need to be transposed in order to provide enforcement provisions

- The General Safety Regulation 661/2009 will generate several significant changes to EC type approval legislation:
 - 50 separate technical Directives will be repealed;
 - 61 United Nations Economic Commission for Europe (UNECE) Regulations will be made mandatory for EC whole vehicle type approval;
 - New requirements will be introduced for tyre rolling resistance and rolling noise, tyre pressure monitoring systems, advanced emergency braking systems, gear shift indicators, electronic stability control systems.

The Regulation takes effect on 1 November 2011 but it is expected that implementing measures will be developed during 2010-2011. Whilst being a simplification of legislation the Regulation and its implementing measures will be complex and it will be important that its application through type approval is made practicable. VCA will be ready to contribute to that discussion

EVIDENCE AND RESEARCH

- In order to achieve VCA's goals, robust evidence is needed to inform decision-making in a number of areas, including customer service, policy, and the use of technology.
- VCA is responsible for its own areas of research and evidence as set out in the Agency's evidence and research strategy, working with the DfT Transformation, Licensing, Logistics and Sponsorship (TLLS) Division and other stakeholders like the Chief Scientific Advisor's Unit to plan activities for research and evidence gathering and to share findings. Action plans are developed as a result of research and evidence findings to implement the resulting conclusions and decisions.
- In 2010-11 evidence and research will focus on:
 - Customer and market research;
 - Technical knowledge gathering;
 - Knowledge management.
- Customer and market research will seek greater understanding of customer needs and perceptions of the quality of our service.
- Technical Knowledge gathering will continue to improve understanding of:
 - Virtual Testing (VT).The EU has recently approved legislation to allow both virtual and self testing for a limited number of regulations and directives. VCA is developing procedures, test reports and training which will allow the agency to respond knowledgeably, proportionately and consistently to requests from manufacturers who wish to avail themselves of this facility.
 - Electronics, telematics and sensor developments applied to vehicles and other relevant products. This will support VCA's work in type approval of vehicle electronic systems, management systems certification of manufacturers' electronics modules, and to assist other enforcement activities such as WEEE and ELV.
 - Alternative Fuels. The types of fuels available or likely to become available are well known. VCA staff however will benefit from greater understanding of production techniques, chemical compositions, emissions, pollution, catalyst requirements and well-to-wheel carbon effects.
 - Alternative Powertrains. Complete new powertrains, components and retrofit items are being developed. These, for example, could rely on power electronics, complex electronic control units or high voltage electrical systems to deliver the system and driver benefits. VCA must understand the underlying science and the implications for type approval testing in order to be prepared for customer questions, systems or vehicles.
 - On-Board methods of electricity generation and storage. Batteries, capacitors, regeneration systems and fuel cells are being developed for both non-automotive use (e.g. military personnel power-packs) and vehicles applications. Electricity generation and storage are one of the key enablers of hybrid vehicles which are seen as a way to reduce GHG emissions. This work will look at their usage, the science, their benefits and limitations.
 - Other Emerging Technology. VCA is looking at the horizon of scientific and technological research in order to identify science and technology issues that have relevance to vehicle development, and hence are important to the quality and robustness of VCA's business. VCA needs to identify new technologies which are either not obviously covered by current regulations or which will require legislative interpretation. This will allow VCA time to develop a measured response to developing technology.

CAPABILITY

- The Agency is fully engaged in the Department's 2010 Change Programme promoting "better outcomes for tougher times". The Change Programme builds on the 4ward programme and capability review and identified the Department's new priorities up to the end of 2010. This will be a very challenging period for the Department but also one that presents new opportunities. The recent people survey – the first ever civil service wide staff survey – will enable VCA to see what progress we are making; early indications show that staff satisfaction in the Agency is already very high, and the detailed results in late 2009-10 will allow us to concentrate on key areas for further improvement.
- The Change Programme is about all staff meeting the challenges by:
 - Promoting radical ideas and creative solutions;
 - Delivering what we have promised;
 - Improving leadership at all levels, so we leaders who motivate the staff; and
 - Ensuring we have the right tools/processes for the job and that they are well used by every one.

DATA AND INFORMATION ASSURANCE

- VCA operates in a Business to Business environment mainly with the automotive industry. As such the Agency does not hold or process personal data in respect of the general public. Some data held on VCA's ICT network and laptops of Type Approval engineers could be classed as commercially sensitive. All staff handling this data are required to sign a confidentiality agreement on joining VCA. All staff undertake training and are periodically reminded of the importance of protecting this data. To protect loss of this data through loss or theft of laptops, VCA has encrypted the hard discs of all laptops to the UK National Technical Authority on Information Assurance (CESG) approved standards.
- VCA is committed to implementing the recommendations of the Cabinet Office review of data handling. The agency has appointed at board level a Senior Information Risk Owner (SIRO). The SIRO is responsible for both business and information risk and has the role to support actions to improve the level of information assurance including risk assessment and risk management throughout the Agency.
- VCA has identified all information assets, and appointed owners. The information asset owners are responsible for implementing the recommendations of the data handling review and are required to review their risks quarterly and provide written assurance reports to the Agency SIRO.
- The Agency regularly reviews and updates security policies and procedures taking in to account guidance received from DfT, Cabinet Office and other government security agencies.

ESTATES

- All VCA's UK properties are core business premises, details of which are held on the electronic Property Information Mapping Service which the Agency's Central Services team maintains.

SUSTAINABILITY

- VCA is fully engaged in DfT's commitment to Sustainable Development (SD), and makes a valuable contribution to the delivery of the Department's strategy. Some key examples are:
 - Collating and publishing information (colour coded environment labels) on the fuel consumption and emissions of new and used vehicles, so that purchasers may make an informed choice when purchasing new vehicles;
 - Conducting in-service emission testing (the testing of vehicles that have been in-use for some time after purchase) to determine compliance with the Directive requirements for in-service vehicles.
 - Testing new vehicles to ensure they meet the appropriate noise and emissions standards, thereby providing a degree of protection to the environment. **Note:** in this respect, VCA staff witness tests in the UK and overseas; whilst this implies a level of travel, the overall outcome will be a reduction in emissions given the production of cleaner and safer vehicles.
 - Enforcing requirement concerning the gaseous emissions of non road mobile machinery
 - Enforcing requirements for the performance of replacement catalytic converters.
 - Enforcing the Waste Batteries and WEEE directives for Retailers and Distributors to reduce the environmental impact of portable batteries, electrical and electronic equipment when they reach the end of life, and to encourage the separate collection, subsequent treatment, re-use, recovery, recycling and environmentally sound disposal of these waste products;
 - Developing knowledge of sustainable vehicle emission technology developments and sharing this knowledge across the Department, working closely with CFV.
- The Agency's published Sustainability Development (SD) Action Plan covers amongst other things targets for reducing carbon emissions from offices, ICT, office equipment, road vehicles, waste and water consumption. The Agency has established a very active SD Focus Group which is taking forward a number of initiatives such as appointing waste champions, raising awareness of SD matters through the Agency's Intranet and progressing the recommendations arising out of the energy audits held for its two main UK sites.

DIVERSITY

- VCA utilises the potential and strengths of all staff in the Agency by treating people as individuals, embracing variety, rejecting prejudice and accommodating changes in working patterns. VCA believes that using a flexible people management approach motivates staff and creates an environment that enables all members of the Agency to be productive. Key aspects are as follows:
 - VCA's Single Equality scheme 2010-12, which has at its centre the main objectives of:
 - Leadership and accountability,
 - Behaviour and culture
 - Talent management,
 - Representation
 - Mainstreaming equality and diversity in the business
- All staff within the Agency attend core diversity and bullying harassment awareness courses as part of VCA's induction training plus refresher courses where appropriate.
- Undertaking Equality Impact Assessments for Agency policies and processes.
- Seeking staff views through regular staff surveys.

BUSINESS DEVELOPMENT

VCA's Business Development will continue to build and maintain the customer base of VCA, coordinating business development activities between all VCA offices worldwide. The key objectives for 2010-11 are aimed at improving sustainability and improving market intelligence, and include the following:

- Secure business with our existing global customer base through continued support and nurturing of strong working relationships.
- Enhance our integrated marketing plan to incorporate the latest VCA product & services portfolio and promote the global profile of VCA. Continue the development of the VCA Customer Relationship Management system that will provide transparency of internal processes across our global facilities, and support our customers worldwide.
- In supporting the DfT implementation project for the ECWVTA RFD, VCA has developed an extensive database of potential clients to promote its services, and will draw upon these contacts to promote VCA services and educate clients on the revised legislation. As an example of this, VCA will manage a communications campaign to raise awareness of the new arrangements with light trailer manufacturers in 2010-11.
- Continue to develop and market the VCA Compliance Management System (CMS) as a tool to facilitate effective management of the Type Approval process by manufacturers especially helping SMEs, affected by the RFD. The product will provide a robust mechanism to support compliance with regulatory requirements and reduce the regulatory burden on industry.
- Continue to build on the Type Approval business in emerging markets, such as China, Asia Pacific, India and eastern Europe. The introduction of ECWVTA for buses is

recognised as being a key element in the expansion of certification work from these regions, where many of the major manufacturers are existing VCA clients.

- The need to maintain MSC accreditation for type approval CoP activities (see Regulatory Climate) means that VCA must increase the robustness of the MSC business.
- 2010-11 proposals for new services will include:
 - Support to the DfT in the ongoing development of the 'Act on CO₂ website, incorporating new search criteria and functionality.
 - Further development and expansion of the VCA Compliance Management System
- 2010-11 proposals for VCA Enforcement activities include:
 - In-use car compliance emissions testing.
 - Non-Road Mobile Machinery Enforcement.
 - Safety critical vehicle systems and components in the UK marketplace
 - Replacement Catalysts.
 - Provision of fuel consumption and CO₂ information in promotional literature.
 - Tyre Noise.

2010-11 SECRETARY OF STATE TARGETS

The VCA key performance targets are agreed by the Secretary of State and support those of the MFS Group. Having maintained progress in 2009-10, VCA intends to continue along this path in 2010-11 and beyond, becoming a more successful and influential contributor to the MFS Group.

Outcome: Transformed, customer focussed, convenient, e-enabled services	
VCA Target & Measure	Type
Complete 90% of System and Component Type Approval certificates within 9 working days	Core Business Target
99% of appraisal reports on our technical performance from independent panel members deemed to have no critical defects. (NB. Suitable sample size to be determined)	Core Business Target
To ensure the continued consistency and quality of VCA's approvals by <ul style="list-style-type: none"> • Carry out a programme of Conformity of Production assessments for VCA issued approvals using the risk based methodology in line with the agreed programme. • Dangerous Goods packaging - Carry out a programme of Conformity of Production inspections in accordance with the Service Level Agreement agreed with the Department. 	Core Business Target
Deliver the customer service promises as set out in this business plan	Customer Service Target.
Continue the development of the systems and tools designed to assist existing and new manufacturers to comply with the revised Type Approval requirements for new vehicle types due to included in 2010-11, by 31 October 2010.	Core Business Target

Outcome: Improved road safety	
VCA Target & Measure	Type
Deliver the agreed testing, enforcement and in-service emission programmes by 31 March 2011 . (NB. In year milestones to be developed and agreed).	Core Business Target

Outcome: Greater efficiency, better value for money	
VCA Target & Measure	Type
Achieve repeatable financial efficiency savings during 2010-11 in line CSR07 efficiency delivery plan.	Financial Performance Target
To achieve a £50,000 surplus on a full cost basis	Financial Performance Target

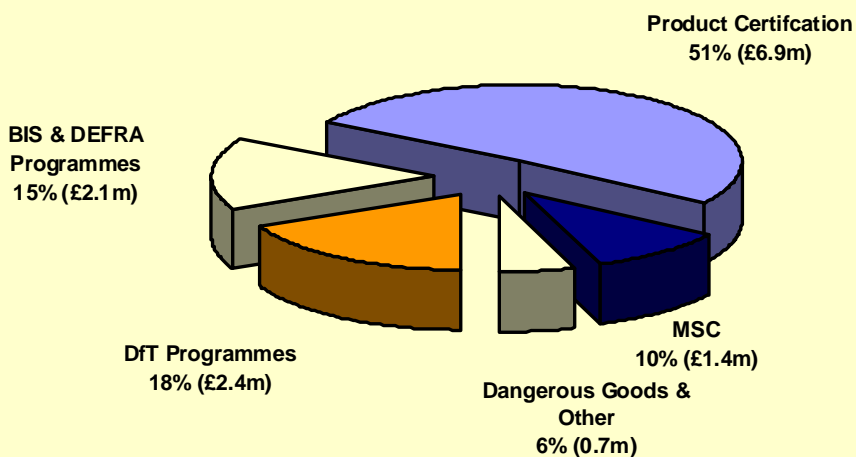
RISKS TO ACHIEVING THE PLAN

- The VCA market sector is susceptible to commercial changes, business and economic cycles. The global automotive industry is changing and highly competitive, the current economic conditions heightened these risks further such as the increased risk of bad debts and in response we have strengthened our credit control function.
- Some overseas territories currently operate outside World Trade Organisation rules and guidelines placing additional competitive pressures and uncertainty on the industry.
- VCA costs and revenues are subject to exchange rate fluctuations, which can have a short term impact on the financial performance of the Agency. VCA is unable to mitigate this by hedging, but does manage the flow of cash to and from overseas locations and by matching local spend with local income whenever possible to minimise this risk.
- VCA's control and risk management is continuously improving to counter the risks inherent in the financial forecasts. Should any of the risks impact significantly then VCA's financial forecasts may not be achieved. The VCA Audit Committee chaired by a Non-Executive director reviews the risks identified by the Agency regularly and reports on the governance process.

FINANCIAL FORECASTS 2010-11

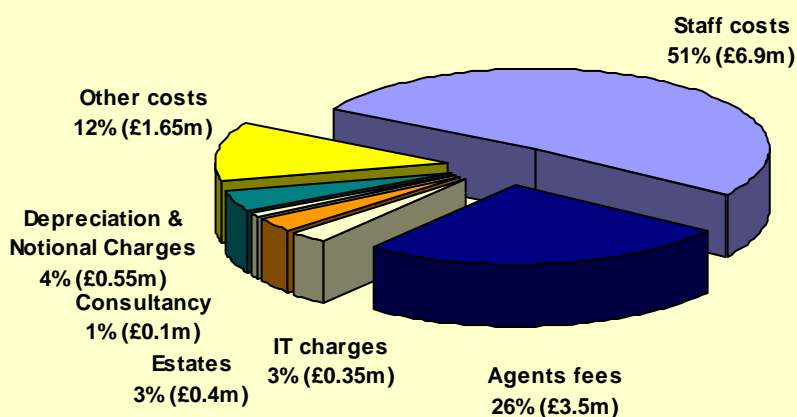
FORECAST INCOME BY CATEGORY

Total £13.50m

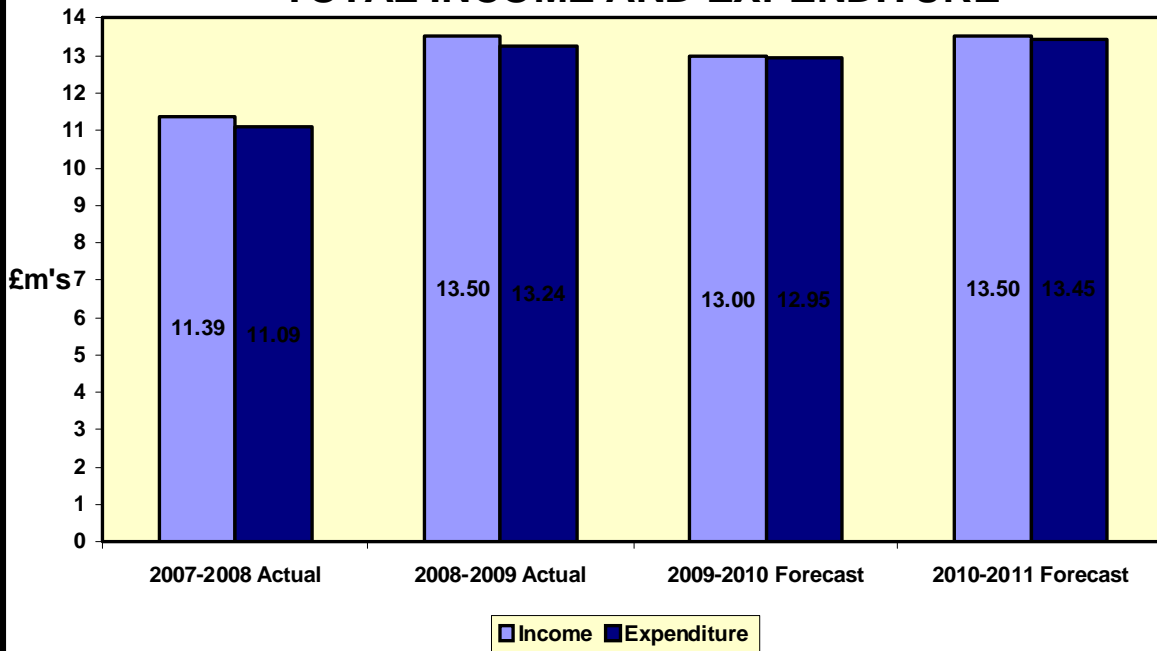


FORECAST SPEND BY CATEGORY

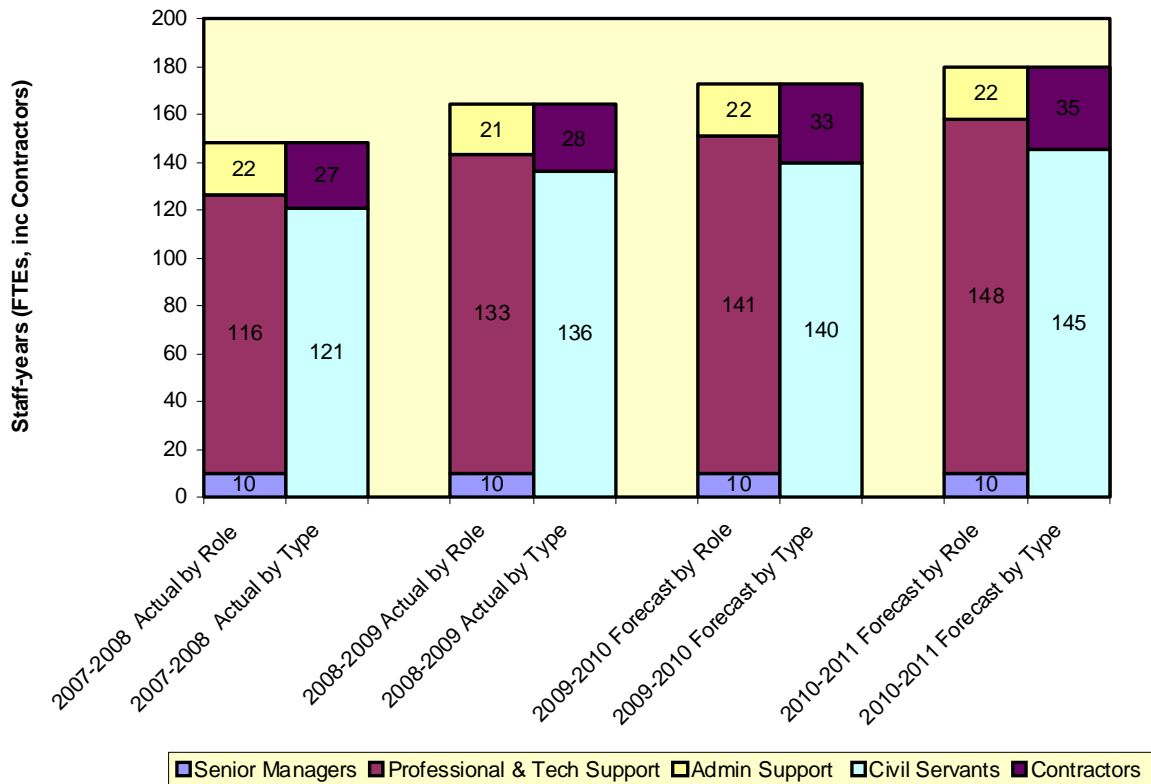
Total £13.45m



TOTAL INCOME AND EXPENDITURE



STAFFING LEVELS FTE'S



KEY BUSINESS TARGETS 2010-11

Type	MFS Strategic Outcome	Target	2010-11 Measure
Key Deliverables	Reduced impact on climate change & the environment	Maintain progress on improving the agency's impact on the environment by completing the actions included within its Sustainable Development Action Plan	31 March 2011
	Transformed, customer focussed, convenient, e-enabled services	Citizen and business e-services content migrated to Direct.gov and Businesslink.gov	31 March 2011
	Greater efficiency, better value for money	Increase average utilisation of all staff during 2010-11	65%
Service Standards	Transformed, customer focussed, convenient, e-enabled services	Maintain or improve customer satisfaction	90%
External Obligations	Transformed, customer focussed, convenient, e-enabled services	Complete Freedom of Information requests within 20 working days.	80%
		Provide answers to parliamentary questions by due date.	85%
		Respond to MP's correspondence within 7 working days.	85%
		Respond to official correspondence within 20 working days.	80%
	Greater efficiency, better value for money	Maintain payment of undisputed and settled invoices within 10 days of receipt.	95%
		Reduce average number of days absence to no more than 5 days per employee.	5.0