



Attendees: Alastair Peoples (Chair), Paul Coombs, Andy White, Alex Fiddes, Paul Satoor, Peter Hearn, Heather Cruickshank, Paul Smith (NED), Jane May (NED)
Guests: Jeanette Watt (Item 1), Neil Barlow (Item 3), Mark Burlinson & Rachel Campbell (Item 2 & 6), Paul Sizer & Andrew Pattison (Item 7), Jo Warden (Dialling in item 9)
Secretary: Tom Middleton & Jason Harris

0. Introductions

0.1 No declarations of conflict of interest were declared for this meeting and one item of any other business was tabled.

1. Draft Business Plan for 2013/14

- 1.1 A paper was provided with the proposed format and content of the draft 2013/14 Business Plan following a challenge meeting with Motoring Services on 8th January. The key measures from the meeting were the percentage of tests at ATF's, ICT Modernisation, increasing digital take-up and a measure relating to the Agency's financial recovery. In addition there was a request to review the business model
- 1.2 The Board agreed that a target was appropriate on the number of tests at non-VOSA premises, as this would provide an opportunity to ensure that Next Generation Testing (NGT) is delivered with the department. The Board agreed that achieving and exceeding the target would not be possible without NGT as there are currently a number of dependencies.
- 1.3 The Board stated their disappointment that the department have left it so late to fundamentally change the measures in the Business Plan.
- 1.4 The Non Exec Directors felt the plan needed some internal measures added to sell the business to the Industry, as it currently read as a departmental report. In addition, comments were made that the report needed to include a people objective such as staff engagement or Health & Safety. HRTI sites, Shared Services and the Agency's Trading Fund status also needed to be clearly mentioned. As there are a number of dependencies on achieving the measures a dependency tracker was thought needed.
- 1.5 The Board were informed that following a restructure at DfT, the Agency will now be back under Steve Gooding's responsibility although this was not confirmed as permanent..
- 1.6 **The Board endorsed the findings and a final version will be submitted to the February DB for sign off for submission to the Minister.**

2. Testing Transformation Benefits Report FY11/12

- 2.1 The TTP Benefits for 2011/12 were submitted to the Board, which had been approved at the previous Investment Board. In addition, a proposal was submitted, to refresh the 2010 TTP Business Case to take account of changes since the original Business Case was approved.
- 2.2 The Board asked for the costs in the benefits report to be more explicit, to explain why the costs to the industry were higher than expected in the first year. The Board were informed that at the time there were not the expected volumes at ATF's, so the benefits were not realised until the following year. The Board asked that a summary of the algorithm used to calculate the cost be used to provide context for future reports
- 2.3 The Board were informed that providing the benefits was a labour intensive exercise and the Board agreed for the Business case to be refreshed and communicated to the department, which will need to focus on the changes to NPV, volumes, financial recovery and the financial climate. The benefits will be provided to the Board on an exceptions basis. In addition an update will be provided to Exco providing context, benefits and risks.



- 2.4 To help with the Business case refresh the Board asked for a short case study of a typical business case for opening an ATF.
- 2.5 The Board agreed that the TTP Programme is successful and risks have now arisen which mean that it is no longer sustainable unless issues to fees, terms and conditions and other modernisation factors can be resolved.
- 2.6 The Board were informed that a paper will be submitted shortly on the improvements being made to benefit reporting in the Agency.

2.7 The Board approved:

- **The TTP benefits realisation, tracking and reporting becomes the responsibility of the Business Change Team**
- **Agree ongoing commitment from the relevant areas of the Business to provide benefits data**
- **Approve the proposal to refresh the current TTP Business Case. The assumptions used for the refresh will be sent to the Board by ex-committee for approval.**

ACTION	Paul Satoor	29 January
DB13/01/01	To ensure the TTP Benefits report for 2011/12 is more explicit in explaining the reasons why there was a higher than expected cost to the industry than stated in the Business case.	

ACTION	Paul Satoor	29 January
DB13/01/02	To provide a date for when a paper on the improvements to benefit reporting will be submitted to a DB	

ACTION	Andy White	29 January
DB13/01/03	To provide a one page case study of a typical business case for opening an ATF	

3. HGV Road User Levy – Summary

- 3.1 The Board were updated with a summary of the intended part that VOSA will play in the delivery of DfT's HGV Road User Levy scheme, which is due to be implemented from April 2014.
- 3.2 VOSA's role will be to conduct on-road enforcement of non-UK HGV's, to ensure that the levy has been paid and issuing fixed penalties where it has not been. Talks with the department are ongoing to determine our enforcement requirements, such as ANPR coverage nationwide to ensure BAU processes can be used.
- 3.3 The level of enforcement required is unknown at this stage and a formal plan to define the appetite and requirements is required to be agreed with the department.
- 3.4 The Board felt that there will be a dependency for information needed to provide enforcement from the organisation issuing the Levy certificates, so a data sharing agreement would be needed.
- 3.5 Funding is being provided by the department for the additional work and it was felt important that the costs and funding align. The Board agreed that the work was not Strategic to the Agency but recognised the important political appetite for the work.
- 3.6 The Board agreed that representatives from the Operations Directorate need to be involved in the development of the future requirements of the work.
- 3.7 The Board endorsed the overall approach as set out in the paper and were content for this to be used as the mandate for the project and a PID will be submitted to the BPB.**



4. Fee Changes for 2015

- 4.1 A paper was provided for the Directing Board setting out the working aspirations for the 2015 fee changes. The aim of the proposals are to comply with the Agency's trading fund status, ensure individual scheme costs and income are balanced and minimise the burden on businesses.
- 4.2 The Board asked for the fee changes to look at future needs and to provide a 3-5 year scenario rather than just a year at a time, to help level out the scheme imbalances.
- 4.3 DfT will continue to do this round of MOT fees until modernisation has been carried out, at which point VOSA will take this over. To assist with this the Board felt that test time elements needed to be benchmarked to ensure costs were in proportionate.
- 4.4 A further Directing Board paper will be provided in February 2013 for approval of the complete 2015 fee strategy.

5. ATF Fee Restructure

- 5.1 A paper was presented stating in May 2013 an opportunity is available to change primary legislation to enable alternative charging regimes for tests at ATFs and seek changes to fee raising powers. To enable this Ministerial approval is required and a 6 week public consultation.
- 5.2 The Board raised concerns over the short timescale of the work but were informed that if the timescale would not be met then the work would mean we were better placed for the next available opportunity to change legislation.
- 5.3 The risks of the current fee charges are discussed at the Fees and Charges Board with the department but the Board felt that the risks arising from the ATF Fee legislation need to be shared with the Department, Motoring Services and the NAO.
- 5.4 The Board felt that the changes would need to be future proofed and allow the possibility of third parties to provide a testing provision.
- 5.5 **The Board agreed that, subject to the necessary clearances VOSA will consult on proposals to change primary legislation to enable alternative charging regimes for tests at ATFs and seek changes to fee raising powers.**

ACTION	Peter Hearn	29 January
DB13/01/04	To provide AP with a briefing note for MSB and draft a supporting note to the department for submission with the business plan on the risks of ATF Fee Legislation	

ACTION	Peter Hearn	29 January
DB13/01/05	To ensure a risk in relation to the ATF Fee Legislation is added to the KBRR	

ACTION	Paul Coombs	29 January
DB13/01/06	To discuss the ATF Fee risk with the NAO	

6. Risk Deep Dive: NGT Leadership & Development

- 6.1 A briefing paper was submitted to provide some context to the scale of the risk and the likely impact of further delays of the endorsement to changes in terms and condition on the ATF strategy.
- 6.2 The Board were informed that good progress had been made recently in getting departmental and Ministerial approval. DfT have now submitted a T&C Modernisation submission which is awaiting Treasury and Cabinet Office approval. In addition a lease car proposal has been submitted separately.



- 6.3 The Board were informed that delays to the approvals will affect our capacity to meet the demand from ATF's. Other risks include the current reliance on the goodwill of staff to travel to sites, high levels of overtime being used, enforcement staff being used to cover testing demand and delays are affecting the level of ATF demand and the benefits from TTP not being realised.
- 6.4 Once the T&C's are agreed a number of other work streams are ready to proceed which will help improve the capability of Operational capability but the Board commented that the current business model is not sustainable in the long term. If approval is delayed the Board thought that the affects should be escalated to the Permanent Secretary.
- 6.5 The Board discussed the mitigating actions including variation of contracts, hire car schemes but believed if approval of the T&C's was refused then ultimately the ATF strategy would have to cease.

ACTION	Paul Satoor	29 January
DB13/01/07	To provide the NGT project Board update to the DB including the plans for up-skilling staff and laptop distribution	

7. Internal Audit Plan

- 7.1 Following discussion at the last Audit & Risk Committee the Internal Audit Plan for 2013/14 was provided to the Board for comments before final approval.
- 7.2 The Board were informed that the department will be looking at contract management and governance of projects which could alter the plan for the internal audit team.
- 7.3 The plans will now be shared with Directorate teams before sign-off at the February A&RC and Directing Board.
- 7.4 An update on the progress on the 2012/13 audit plan was also shared with the Board. The Board acknowledged the good work of the Head of Internal Audit and his team.

8. Car User Mileage

- 8.1 Following a paper presented to the September 2011 Board which approved a temporary car mileage for certain groups of staff whose performance within the business is dependant upon the use of a vehicle, a paper was presented seeking to extend the use of the increased mileage rate.
- 8.2 This is an interim measure due to the reliance on the goodwill of staff to travel to sites as under the proposals of NGT staff will be given their own vehicle. Although a solution will still be required for other areas not covered in NGT.
- 8.3 The Board retrospectively endorsed the continuation of the current mileage rates until a clear direction on the Car Scheme and the Reform package is agreed, which is currently going through the approvals process between VOSA, DfT (c), Cabinet Office and HM Treasury approvals. If no agreement has been reached in 6 months the Board will review the rate again.**

9. Working Time Regulations

- 9.1 A paper was presented to the Board following an audit report which found poor levels of assurance of staff complying with the Working Time Directive.
- 9.2 The Board has set it's appetite for the risk as minimal as the Agency is an enforcement body so does not allow staff to opt out.
- 9.3 The Board agreed that managers need to be given the tools to ensure assurances can be proved that their staff are complying with the directive. The Board agreed that different



solutions will be required for different parts of the business such as journal records, the flexi system or using the new Shared Service system to provide a solution.

9.4 The findings from the audit are also being reviewed as there were questions over the validity of the sample used.

9.5 **Directors will discuss how assurances for their own Directorates can be provided with the Chief Executive.**

10. October Key Business Risk Report

10.1 The KBRR was presented to the Board who discussed the following risks;

- KBR64: Delay to Implementation of VOSA business changes to deliver the ATF Strategy - Although the forecast tolerance exposure is very high the Board did not feel the need to escalate the risk to DfT outside the normal reporting cycle.
- KBR63 IT Strategy Implementation – The Board agreed that since DfT has created its own risk on “Failure to deliver VOSA and DVLA ICT procurements results in loss of service”, it does not need to list the risk separately on the departments risk register. The Risk score will be reviewed by the Risk owner.
- KBR37: Finance System Supports Business. The Board were content that the controls in place mean that the risk likelihood has been reduced below that of the KBRR criteria and this can now be managed as part of the ERPI project work.
- CRR14 – Health & Safety Management Systems – The Board discussed the risk and were content with the score that when all the mitigating actions are in place the score will be 2x2.
- Tier 1 Trial – The Board were content for the Trial taking place at Tier 1 to be fully rolled out to help improve risk reporting processes to the Board.

10.2 **The Board approved the changes contained within the paper relating to specific risks within the KBRR and approved the KBRR for circulation to DfT.**

ACTION	Andy White	29 January
DB13/01/08	To review the score to KBR63 IT Strategy Implementation with the Risk Manager	

11. Board Update Reports

11.1 The Board noted the IB update as presented; the Board were informed that there was no investment items on the forward look, which was not thought to be the case.

ACTION	All Directors	29 January
DB13/01/09	To provide details of when investments will be submitted to the ICB to the Board Secretary to add to the forward look	

11.2 The Board the update on Total Facilities Management which stated that not all costs would be cheaper. Members were asked to highlight any trends of increasing costs to the Board such as the Shared Service Centre so that this can be raised at the Motoring Services Board and ensure fees are set at the level needed.

11.3 The Board noted the BCB update as presented. This was the last Board before the new ICB start in January. The Board noted that the resources are now in place for the MOT ICT Modernisation work.

11.4 The Board noted the BDB report as presented, of particular interest was the sickness target which is above target and not likely to be achieved; managers from the areas with the highest short term sickness rates will be invited to the Board to explain the action taken from the trigger points.

11.5 Stopping Locations – Slow progress has been made to find solutions. There has been a change in assumption regarding solutions with the Highways Agency as HA have now paid



Vehicle & Operator Services Agency

Directing Board Minutes

9 January 2013
3rd Floor Conference Room,
Berkeley House, Bristol

VOSA for the work undertaken during the Olympics. A revised plan and funding arrangements need to be defined. Was there some briefing that AP would be provided with to allow it to be raised at an upcoming meeting with the CEO of HA?

- 11.6 Roadside activities – Operations have reviewed the likely outturn in roadside encounters and prohibitions based on the reduced resource numbers. Its predicted this will be at 85% of the planned levels, but further work is needed to assess the impact on all scheme activities.
- 11.7 2013/14 Enforcement Business Plan Measure – There is a proposal to widen the current prohibition rate measure to one which includes detection of offences in order to better reflect the range of activities carried out at the roadside. The Board asked that the proposal is submitted to the ICB for approval to assess the impact of this on future targets.

ACTION	Paul Satoor	29 January
DB13/01/10	To submit the 2013/14 Enforcement Business Plan Measure change proposal to the ICB to assess the impact of this on future targets	

- 11.8 NGT PID - The approved PID was already out of date and in exception due to the dependency on DfT and wider Civil Service priorities.
- 11.9 The Board noted the Health & Safety Committee and Directors decisions as update as presented.

12. AOB – Motoring Services Consultation

- 12.1 At the next away day the Directors will discuss a response to the consultation on behalf of the Directing Board which will be shared with the Non Executive Directors.

13. Meeting Administration

- a. The Board approved the Minutes of the 12 December Directing Board as an accurate record for publication.
- b. The Directing Board Action Sheet was updated and is attached.
- c. Board Agendas Forward Look – The next meeting is being held on 6 February 2013.