



Vehicle
Certification
Agency

2018-2019

Vehicle Certification Agency Business Plan

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CHIEF EXECUTIVE'S FOREWORD

Welcome to the Vehicle Certification Agency (VCA) Business Plan for 2018-19.

It has been just over a year since I took the helm and it is a great privilege to lead an organisation that delivers such a vital function; one that touches the lives of so many people.

2017 saw continued high demand for our core type approval certification service, particularly in the area of exhaust emissions, where legislation has been subject to significant change with the introduction of Worldwide Harmonised Light Vehicles Test Procedure (WLTP) and Real Driving Emissions (RDE) requirements. This demand is expected to continue into the next financial year as industry seeks to approve new and existing vehicle types. 2017 also saw the completion of the sale of our Management Systems Certification function. This was concluded in June with the successful transition of existing VCA certificate holders to a new supplier.

Over the coming year we will continue to focus on core statutory certification activities. Central to this is our quality ethos and to support that we hope to shortly gain formal accreditation to the internationally recognised standard ISO 17025. Once this is in place we will seek accreditation to ISO 17020. We will also be doing some work to look at the processes surrounding our delivery of type approval certification to ensure that they remain robust and fit for purpose.

As well as delivering confidence to consumers through the rigorous application of type approval standards, we will provide specialist technical support to the recently established market surveillance unit within the Driver and Vehicle Standards Agency (DVSA), which is aimed at ensuring that vehicles continue to meet the appropriate legal requirements in-service.

Our people are central to the success of the organisation and to delivery of core transport objectives. We will continue to invest in their development so they have skills and tools they need, and when they need them. This is particularly important when considering the speed with which vehicle technology is evolving, particularly in the connected and autonomous field. We very much recognise that this presents both opportunity and challenge and as such we will be working with the relevant stakeholders to ensure that we are at the forefront of current thinking.

The coming year looks set to be a busy one and I look forward to leading the agency through it.

PIA WILKES
CEO, VCA

WHO WE ARE AND WHAT WE DO



Vehicle Certification Agency

- 1.1** The Vehicle Certification Agency (VCA) is an Executive Agency of the Department for Transport (DfT), part of the Road, Devolution and Motoring Directorate, through which VCA receives its corporate sponsorship.

VCA performs a number of core activities:

Vehicle Type Approval

- 1.2** As the UK Type Approval Authority for new on and off-road vehicles, systems and components, VCA is responsible for approving that these have been designed and constructed to meet internationally agreed standards of safety, security and environmental protection.
- 1.3** VCA takes its policy lead from the DfT, through the International Vehicle Standards Division (IVS), part of the Energy, Technology and Innovation, Directorate. Some environmental policy lead comes from the Office for Low Emissions Vehicles (OLEV).
- 1.4** Automated vehicle technology is becoming ever more sophisticated, and VCA recognises the challenges associated with type approval of complex automated vehicle hardware and software. VCA will continue to work with the Centre for Connected and Autonomous Vehicles (CCAV), the motoring agencies and other relevant teams on developing effective policy for self-driving vehicles.
- 1.5** VCA Chairs the DfT Vehicle Technology Forum, working with policy colleagues, other DfT agencies and the Chief Scientific Advisors Unit. This group shares knowledge, understanding and experience of emerging technologies with a view to developing a common understanding and approach.

Conformity of Production (CoP)

- 1.6** This is an integral and essential part of the certification process and approval cannot be granted without adequate CoP procedures being in place. CoP provides confidence to industry, government and consumers that a given product is manufactured in accordance with the approved specification and that ongoing compliance is assured.
- 1.7** The process involves the evaluation of manufacturing processes to ensure that each product is manufactured in accordance with the approved specification. Ongoing conformity is assessed throughout the manufacturing life of a product. This will involve manufacturing site visits and reviewing records. Where evidence of non-compliance is discovered, this will be rigorously investigated and the appropriate steps taken to return the manufacturing process to conformity.
- 1.8** VCA recognises the importance of a robust regime which ensures that all new vehicles are safe, reliable and deliver the expected environmental performance. Where concerns

of non-conformity are raised through non-CoP related activities such as “whistle blowing” VCA will take all reasonable actions to investigate the non-conformance and where necessary take action to bring the vehicle or component back into conformity; and where appropriate work with other agencies to ensure product remains in conformity. VCA is clear that only fully compliant vehicles are offered for sale. Where non-conformance occurs, the manufacturer should rectify any issues at the earliest opportunity, in accordance with the relevant provisions of the type approval framework directive. Where a manufacturer cannot, or will not take the necessary steps to bring products back into conformity, VCA may suspend Conformity of Production status, which would have the effect of halting production. Ultimately steps may be taken to withdraw an approval, in accordance with the type approval framework directive.

Market Surveillance

- 1.9** The Government is committed to enforcing vehicle safety and environmental standards. It has established a Market Surveillance Unit in the Driver and Vehicle Standards Agency (DVSA) to check that vehicles and components available on the UK market comply with the legislative requirements to which they were approved.
- 1.10** VCA plays a significant role in providing expert engineering resource to support this work. In 2016/17 and 2017/18 the Unit focused on a programme of targeted exhaust emissions testing on cars, light vans, trucks and buses to ensure that the vehicle manufacturers were meeting the relevant approval standards for vehicles in use. This emissions programme will continue in 2018/19 and the Unit will also expand its compliance testing to a wider range of vehicle standards.

Certification of Dangerous Goods Packaging

- 1.11** VCA administers the operation of a scheme for the certification of packaging used for the carriage of dangerous goods in the UK. Each mode of transport has its own set of International Regulations, but all use packaging as defined in the United Nations (UN) recommendations for the transport of dangerous goods. The requirements for approved packaging are put into effect by separate Statutory Instruments.

Civil Traffic Enforcement

- 1.12** Building on core expertise, VCA provides a certification service to local authorities who wish to operate bus lane and parking enforcement camera systems. This involves the evaluation of Technical Construction Files (TCFs) to assess compliance with the relevant requirements, with the ultimate aim of ensuring the integrity of evidence gathered using such systems. This service also covers authorities in Wales and the Highway Agency’s Thames Link Crossing at Dartford.

Data Provision

- 1.13** VCA collects and publishes fuel consumption, CO₂, noise and regulated pollutant data for new cars, underpinning the Vehicle Excise Duty and Company Car Tax schemes. Accessed through GOV.UK, the data tools continue to be popular with consumers, with around 2.5 million users over the last year alone. This supports Government’s strategic

drive to reduce exhaust emissions by providing consumers with the information they need to make informed choices.

EU Exit

- 1.14** The UK and the EU have a common interest in our citizens and businesses continuing to benefit from the opportunities created by an increasingly connected world. As such, we are seeking a future partnership that will allow the continuation and enhancement of connectivity for transport operators and users, while maintaining high levels of safety and security. Nevertheless, we must take the responsible approach and prepare for all outcomes.
- 1.15** The motoring agencies play a key role in these preparations, from both a planning and implementation perspective. In order to ensure that functions and processes across areas such as vehicle and driver licensing and standards, operator licensing and vehicle type approval are effective post-Exit, new and revised legislative frameworks and operating systems are required. The agencies are working closely with partners in Whitehall to identify and implement agreed policy solutions in these areas.
- 1.16** It is acknowledged that demands placed on the agencies as a result of EU Exit preparations could impact upon other projects and workstreams set out in these Business Plans. These Plans should therefore be seen as a reflection of a “point-in-time” and resources might need to be re-prioritised to meet future changes in demands.

PLANS FOR 2018-19



The table at 2.4 highlights the main performance measures that VCA has agreed with the Department for 2018-19. The following sections explain in more detail the specific actions we will take to deliver against those objectives.

Changing our Agency

2.1 Continue to take forward the Government Digital Strategy

The Agency continues to have ambitious plans to build on existing infrastructure, digital tools and systems to ensure that services are delivered as efficiently as possible. During 2018-19 plans are in place to address a number of key areas. The first relates to infrastructure and the completion of upgrades to the Wide Area Network (WAN). The second is a programme to replace existing telephony services in the UK, which will lead to improvements in functionality and efficiencies in the way we work today. The third key area relates to the redevelopment of the Agency website. Whilst this has served users well for many years, it is now time to review and update it. During 2018-19, work will be carried out to scope out the website review and refresh process, including engagement with the Government Digital Service (GDS).

2.1.1 Internal certification process review

In 2018-19 an external review of the processes that support the issuing of type approval certificates will take place to ensure that they continue to be robust and fit for purpose. The process will engage staff at all levels to form a detailed understanding of current processes and where improvements/efficiencies might be made. Where improvements or efficiencies can be made, plans will be developed to realise them as soon as practicable.

Our services

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

2.2 Product Certification Resource

2017-18 saw an increase in exhaust emissions testing as industry moves to the new Worldwide Harmonised Light Vehicle Test Procedure (WLTP), which came into effect for newly approved cars in September 2017. The new test is aimed at providing a closer representation of 'real-world' fuel consumption and CO₂ figures.

Demand for testing is expected to remain high during 2018-19 as the September 2018 application date for cars of an existing type approaches. VCA will work to provide resource to meet this demand and ensure that key performance measures are met.

2.2.1 Quality

A quality ethos is at the heart of Agency culture. VCA currently works to the principles of ISO 17020 (requirements for the competence of bodies performing inspections) and ISO 17025 (requirements for the competence to carry out tests and/or calibrations). In 2017-18 a commitment was made to obtain formal accreditation against the requirements of ISO 17025 for a limited scope in our Midlands Centre test facility. Excellent progress has been made towards this and we aim to have accreditation in place early in 2018-19. Following on from this, VCA will seek accreditation to ISO 17020 initially in the UK and then extend to global offices.

2.2.2 Raising concerns

During the coming financial year, a piece of work will be undertaken to look at and strengthen

the current arrangements in place that allow those outside of the Agency to raise concerns about the approval process.

Finance and Efficiency

2.3 Finance

Demand for core certification services has been consistently high over recent years but it is anticipated that this will slow down for 2018-19 as the application dates for key legislative changes pass i.e. WLTP exhaust emissions testing for cars.

As such the forecast for 2018-19 is to cover costs and breakeven.



2.3.1 Efficiencies



Like other organisations across Government, VCA has responded to the challenges of the 2015 spending review. We continue to make good progress against our efficiency targets and this work will continue.

2.3.2 Workforce

The FTE staff figure for 2018-19 will not exceed 230. The slight increase over 2017-18 recognises the need to grow frontline staff to match resource to demand.

2.4 2018-19 Key Performance Measures

Category	VCA measure	In 2018/19
1. Changing our agency 	1.1 Actively progress the Government ICT and Digital strategies by using ICT to commence delivery of a wide ranging programme of change, including : <ul style="list-style-type: none"> • Begin the process to transform the VCA website. Work will be undertaken to scope out the review and update process, including engagement with the Government Digital Service (GDS) • Complete the implementation of Wide Area Network (WAN) upgrades and telephony system replacement 	31/03/2019 31/03/2019
	1.2 Review internal processes that support type approval certification to ensure that they continue to be fit for purpose. Report on findings, including any potential efficiencies or opportunities for improvement.	31/03/2019
	2. Our services 	2.1 VCA Type Approval certificates to be issued within 10 working days of the completion of technical clearance.
	2.2 Externally audited test reports deemed to have no critical defects.	99%
	2.3 Conformity of Production (CoP) – <ul style="list-style-type: none"> • All new Type Approval certification applicants that do not hold suitably accredited quality certification (ISO 9001/TS 16949), or a suitable compliance statement will be subject to a CoP audit before type approval certification will be issued • All existing type approval certificate holders that do not hold suitably accredited quality certification (ISO 9001/TS 1 6949) will be subject to ongoing surveillance audits, the frequency of which will be in accordance with the agreed VCA risk based approach • For type approval certificate holders that do hold a suitably accredited quality certification (ISO 9001/TS 16949), the status of these clients will be reviewed for ongoing conformity of production over the normal cycle of certification, typically 3 years, or sooner if necessary • For VCA Type Approvals, where evidence of a product being produced is out of conformity, VCA will initiate an investigation as soon as possible and no later than 8 days, to understand the root cause of the failure and work with the manufacturer to introduce preventive and corrective action with agreed timescales in accordance with the relevant regulation or directive and in any case as soon as possible. Where the manufacturer refuses or cannot bring the vehicle back into conformity the VCA will take action to withdraw the approval 	100%

	2.4 Maintain the customer satisfaction survey score, if possible improve over the current levels	90%
	2.5 Support the Department of Transport and DVSA in the delivery of the Government's Market Surveillance Test Programme.	31/03/2019
	2.6 Review and strengthen current arrangements in place that allow those outside of the Agency to raise concerns about the approval process.	30/09/2018
3. Meeting customer 	3.1 Prompt payment - Payment of invoices within 5 working days.	80%
	3.2 Freedom of Information – Provide a response within 20 working days.	93%
	3.3 Parliamentary Questions – Provide a response by the due date.	100%
	3.4 Ministerial Correspondence – Provide a response within 8 working Days.	95%
	3.5 Official Correspondence – Provide a response within 20 working days.	80%
4. Financial responsibilities 	4.1 Agency Finance - Deliver financial performance in line with the 2018-19 Business Plan.	Breakeven 31/03/2019
	4.2 Workforce - FTE staff numbers as at 31st March 2019 will not exceed 230.	230 FTE
	4.3 Sick Absence - Ensure average number of working days lost to sickness absence does not exceed 7 days per FTE.	7 Days

DELIVERING THE PLAN



3.1 Human Resources

VCA Human Resources (HR) will continue to provide people processes aligned to wider Government HR strategy and underpinned by the Civil Service core values and the Brilliant Civil Service vision to achieve improved outcomes from effective leaders and skilled people, in a great place to work.

To meet the various challenges that we face, we need effective leaders who are inspiring, confident and empowering; leaders who live our values. To achieve this we will continue to develop our skills and expertise to strengthen our own capability in areas such as leadership, people management, project delivery and digital to successfully deliver the government's challenging transport agenda.

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

We will support a learning culture where everyone has fair and equal access to the right development opportunities and invest in the Agency's succession planning to develop and equip all our people with the knowledge, skills and behaviours to effectively perform in their roles, both now and in the future.

We have finalised the implementation of our HR system which will underpin the activities of the Agency, i.e. managing budgets, recruitment, succession planning, talent management, workforce planning and we will be embedding its usage and subsequent benefits amongst all staff.

3.2 Year of Engineering:

The government recently announced that 2018 would be the Year of Engineering, a national campaign to increase awareness and understanding of what engineers do among young people aged 7-16, their parents and their teachers.

VCA will participate in the year-long campaign aimed at tackling the engineering skills gap and widening the pool of young people who join the profession by showcasing engineering careers with the agency and the role they play in ensuring that vehicles are safe, clean and secure.

3.3 Wellbeing

The Agency has signed up to the Workplace Wellbeing Charter which is supported by Bristol City Council and widely recognised as the business standard for health, safety & wellbeing across England.

The Charter focuses on three key areas - leadership, culture and communication. It gives the Agency an opportunity to build on the Staff Survey results through evidence-based assessment to find out what we are already doing right and where we need to improve to make our workplace a supportive and productive environment.

We will continue providing support and encouragement for staff to lead a healthy, balanced lifestyle. We will drive forward our Wellbeing Strategy – aiming to identify and reduce work-related stress, support staff to deal with mental health issues, promote exercise and activity and allow greater flexibility with working patterns. We will be working closely with our Employee Assistance Programme, charities and internal networks to assist us with achieving our objective

There is strong evidence to show how having a healthy workforce can reduce sickness absence, lower staff turnover and boost productivity.

3.4 Diversity

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

VCA values and 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.

VCA's Diversity Champion will provide leadership on diversity and inclusion across the whole of the VCA, in particular work to:

Tackle barriers to progression within the organisation for members of under-represented groups;

Address the gender imbalance between junior and senior roles across the organisation;

Harness the cultural diversity of VCA's overseas offices to foster an inclusive environment that is respectful and positive in its partnerships with diverse cultures.

3.5 Estates

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

VCA leases its headquarters building in Bristol, land at the HORIBA/Mira site for the Midlands Centre as well as an office for the Dangerous Goods activities in Leatherhead, adjacent to testing facilities. The overseas offices are all leased.

Over recent time we have carried out some refurbishment work to ensure that facilities continue to be maintained to a consistent standard and provide a safe, secure and user friendly environment; this work will continue over the coming year.

As part of this we will continue working with DfT and the appointed contractor to embed a Total Facilities Management Contract, which will support further efficiency savings over the previous arrangements.

Sustainability continues to be a key focus for the Agency. Great progress has been made in this area and in fact, VCA has already achieved its 2020 target. A new target has been agreed and we will focus our attention on working towards this. Current building refurbishment will play an

important role in supporting this in terms of areas such as upgraded lighting, which will be significantly more efficient and the replacement of some of our existing pool car fleet for hybrid vehicles will also have an impact.

3.6 Digital Service Delivery

During 2018/19 we will look to augment our existing online services, improving customer service and building on efficiencies. We will:

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

3.7 Information Services

The ICT function within VCA provides infrastructure support, Help Desk services and IT Security. Plans for 2018/19 are ambitious and include:

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

ANNEX



Financial forecast	Forecast Outturn 2017-18 £ '000	Business Plan 2018-19 £ '000
Statutory fee income	18,204	15,748
Commercial fee income	87	0
Other income	1,930	2,170
Total income	20,221	17,918
Staff costs	(10,100)	(10,500)
Travel & Subsidence	(1,850)	(1,750)
Agents fees	(5,250)	(2,996)
ICT charges	(966)	(850)
Accommodation	(734)	(730)
Consultancy and Professional Services	(200)	(200)
Postage and printing	(91)	(92)
Depreciation	(600)	(500)
Other costs	(600)	(300)
Total expenditure	(20,391)	(17,918)
Net Operating (cost)	(170)	0

ANNEX



Workforce Forecasts		March 18	March 19
Workforce FTEs	Total VCA FTE's	200	230
	Front Line FTE's	176	206
	Back Office FTE's	24	24