



# Annual Report and Accounts 2004/05



# The Driving Standards Agency & This Report

The Driving Standards Agency (DSA) was established as an Executive Agency on 2 April 1990 and is now one of the Driver, Vehicle and Operator (DVO) organisations within the Department for Transport (DfT).

The DVO Group includes those DfT agencies and divisions providing a service to drivers, vehicle owners and operators, including DSA, Vehicle and Operator Service Agency (VOSA), Driver and Vehicle Licensing Agency (DVLA), and Vehicle Certification Agency (VCA).

DSA is a national organisation and has its headquarters in Nottingham; a training and publications section in Bedfordshire; administrative centres in London, Newcastle, Cardiff, Birmingham and Edinburgh, and over 400 practical test centres across Great Britain.

DSA's primary aim is to promote road safety by improving driving standards.

DSA has statutory responsibility for setting standards for theory and practical driving tests and delivery of practical tests. The theory test is delivered by an external contractor on

DSA's behalf. DSA is also responsible for the regulation of Approved Driving Instructors (ADIs) and maintenance of the ADI register.

DSA is a trading fund with a turnover of around £128 million per year, fully funded through fees and revenue from other road safety initiatives.

This report accounts for the DSA's performance over the 2004/05 financial year, including the extent to which DSA met its service standards and financial targets. It is structured around DSA's Business Plan for 2004/05 and the key priorities for the year.

This report is addressed to Government Ministers, DfT, other Government departments and agencies, driving organisations, the media, the general public and DSA employees.

# Annual Report and Accounts 2004/05

Driving Standards Agency

Safe Driving for Life

Presented to Parliament pursuant to section 4(6) of the Government Trading  
Funds Act 1973 as amended by the Government Trading Act 1990

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# Chief Executive's Statement



The year has provided many fine examples of the hard work and dedicated professionalism of DSA staff. At a time of unprecedented demand for car practical tests, which was 7% above planned figures, we have recruited 337 new Driving Examiners and have refined our processes of deploying staff more flexibly. A total of over 1.75 million practical tests were carried out during this financial year, with many Driving Examiners working unsocial hours and weekends to accommodate the needs of our customers. I am pleased to report that we together achieved a 6.1 weeks average waiting time for practical car tests by January 2005. We are well placed now to maintain the targeted 6 weeks average for the coming year.

While car practical tests have been our top priority, we have, in parallel, made great strides on planned modernisation activities. The highlights were:

- The introduction of Automated Driving Licence Issue (ADLI) in partnership with DVLA, resulting in the automatic issue of almost 100,000 licenses for customers since August.
- The installation of an Advanced Speech Recognition system into both of our call centres which enabled customers to move test bookings to an earlier date without having to speak to an agent.
- The renewal of two major contracts for theory test and Information Systems services without any disruption to customers and our service standards.
- The deployment of over 500 computers for the use of operational staff within driving test centres all over the country, enabling for the first time all of our staff to use e-mail and to access our Intranet facility.

All of this has stretched the Agency's resources to the limits, but staff have responded to the challenge magnificently. Inevitably, some of our planned activities have had to be temporarily reprioritised, but we are now in a good position to regain momentum for service improvements across the full range of our diverse activities.

As this is the last Annual Report in which I will report as Chief Executive, I would like to take this opportunity to record my appreciation of the efforts of staff over these past 5 years. We have together faced many challenges. As a partnership, we have striven resolutely to create improvements in the quality of service we provide to our customers.

Ours is a record of achievement of which we can justly claim to feel proud. I thank you for your assistance in all that we have accomplished and I wish you continuing success in the years to come.

A handwritten signature in blue ink, appearing to read 'Gary Austin', written in a cursive style.

**Gary Austin** - Chief Executive

**Andrew Beveridge - HR Director**

'We made significant steps towards market related pay, continued high levels of recruitment and established the examiner update course. It was disappointing to see no improvement in sickness absence.'



**Brian Gilhooley - Operations Director**

'Particularly rewarding to see our achievement of the 6 week targets and our improved telephone answering performance. The challenge is to maintain this level of service.'



**Gordon Court - Modernisation Director**

'Achievements this year included completion of the tendering exercise and re-appointment of Capita as DSA's strategic partner to provide IS/IT services, and the delivery of an Automated Speech Response system to support call centre activity.'



**Christine Morris - Commercial Director**

'Our road safety projects such as Arrive Alive, DQM and Taxi Testing returned a good performance despite the pressures on the availability of resource to deliver these non-statutory activities.'



**Alec Cowan - Non Executive Director**

'I only joined the DSA in December and was immediately impressed with the energy and determination to meet the 6 week practical test target. That they achieved it is to their enormous credit. All this in a year when other major changes were being implemented.'



**Kathy Gillatt - Finance Director**

'A very impressive financial result in a year when investment in new examiners was at its highest ever and car testing activity was 18% above last year.'



**Robin Cummins - Chief Driving Examiner**

'Positive steps have been made through research projects to establish how Continuous Personal Development for ADIs could be introduced.'



**Paul Butler - Policy & E-Assessment Director**

'A year of success and achievements; managing in a new theory test contractor, Driving Standards provision in a Road Safety Bill, and the launch of important research into instructor training.'



**David Leibling - Non Executive Director**

'The switch from Prometric to Pearson as contractor for the theory test went very smoothly; this reflects the professional way the transition was planned, the choice of the new contractor and the close liaison that took place throughout the process.'



**John Mayhead - Non Executive Director**

'DSA performs a key role in helping to deliver the DVO Group road safety agenda. During the past year I have been impressed how staff have continued this vital role whilst also delivering greater efficiency and modernising the services to its customers.'

# Aim, Mission and Objectives

## DSA's primary aim is:

to promote road safety in Great Britain by improving driving standards, and in particular by testing drivers and driving instructors fairly and efficiently.

## DSA's overall mission is:

'Safe Driving for Life' by contributing to a 40% reduction in riders and drivers killed or seriously injured in road accidents, in the age group up to 24 years, by 2010 compared with the average for 1994/98.

## DSA's Core Objectives are:

- **Road Safety** - To provide a centre of excellence for driver training and driving standards, ensuring high and consistent standards in the assessment of drivers and driving instructors in Great Britain.
- **Customer Service** - To provide high quality modernised services, based on an understanding of customers' needs, working closely with other parts of Government, particularly the DVO Group, to deliver joined up services.
- **People** - To ensure that everyone in DSA is developed and trained with the skills they need to achieve the Agency's objectives.
- **Efficiency** - To improve continually the efficiency and effectiveness of the Agency's operations in accordance with Government policy and best business practice.
- **Finance** - To achieve the annual fee and return on capital employed (ROCE) targets.

The Agency's performance against key targets and service standards has been subject to independent review by the Department for Transport Audit and Risk Assurance Division. I am satisfied that the performance indicators and service standards data presented in the Annual Report for 2004/05 represent a true and fair view of the position at April 2005.



**Rebecca Wood** - Head of Internal Audit  
14 June 2005



# DSA Key Ministerial Priorities 2004/05

<b>Improving Road Safety</b>	<b>Achieved</b>
Helping learners, particularly in the vulnerable 16-24 year old age group, to achieve a safe level of competence by delivering a national programme of 6,000 Arrive Alive presentations to 16-19 year olds	O
Deliver an interactive DVD to support learner drivers to learn to drive safely, by the end of March 2005	P
Improve the quality of trainers by effectively implementing the ADI assessment programme	P
<b>Better Customer Service</b>	
Deliver 6 week national average car practical test waiting time from January 2005	*
Maintain and improve levels of candidate satisfaction against the baselines of 90%	P
E-enable our services by using Automated Driving Licence Issue system to send pass results to DVLA, which enables drivers to automatically receive updated licences from June 2004	O Delivered in August
E-enable our services by introducing Advanced Speech Recognition for customers booking by telephone in August 2004	P
<b>Improve Business and Value for Money</b>	
Deliver an average return on capital employed of at least 3.5% after offsetting the surplus from 2003/04 and earlier years	P

## DVO Corporate Targets

Implement Phases 2 and 3 of internet test bookings during 2005	P
Lead migration towards a single virtual contact centre for DVO	P
Reduce sick absence to 11 days to improve overall productivity by 31 March 2005	O
Implement SAP Phase 2: HR by November 2004	P
Contribute to DVO Value for Money Plan by agreeing and implementing by end of June 2004	P

Key: P = Achieved O = Not Achieved \* = Met in January but not maintained

# Performance Against Service Standards

Instructors and Trainers	2002/03	2003/04	2004/05	Achieved
The national average waiting time for PDI practical tests will be no longer than 5 weeks	5.3	10.0	<b>7.0</b>	O
We will keep 99.5% of PDI practical test appointments that are in place two days before the appointment for the test	n/a	97.6%	<b>97.8%</b>	O
We will keep 98.75% of all PDI practical test appointments	n/a	94.6%	<b>94.8%</b>	O
<b>Theory Test</b>				
We will give 95% of candidates an appointment at their preferred test centre within 2 weeks of their preferred date	92%	92%	<b>94%**</b>	O
We will keep 99.5% of all appointments	99.8%	99.7%	<b>99.8%</b>	P
<b>Practical Test</b>				
The national average waiting time will be no longer than				
- 4 weeks for motorcycle tests	3.3	3.1	<b>3.8</b>	P
- 3 weeks for lorry and bus tests	3.2	4.1	<b>4.1</b>	O
Appointments will be available within nine weeks at 99% of permanent car driving test centres	89%	55%	<b>63%</b>	O
We will keep 99.5% of appointments that are in place two days prior to the test appointment	98.9%	98.3%	<b>98.6%</b>	O
We will keep 98.75% of all appointments	98.01%	96.8%	<b>97.47%</b>	O
<b>Telephone Answering</b>				
After a call has gone through our automated call handling system, we will answer 90% of all incoming calls by a human voice to booking offices in no more than 20 seconds	91%	91%	<b>90%</b>	P
95% of all calls to booking offices will make contact with our automated call handling system without receiving an engaged tone	88%	79%	<b>88%</b>	O
We will answer 90% of all calls to our enquiry points in no more than 30 seconds	84%	92%	<b>95%</b>	P
<b>Refunds</b>				
95% of all refunds will be paid within 15 days of receipt of a valid claim	99%	99%	<b>99%</b>	P
<b>Correspondence</b>				
We will answer 97% of all letters and e-mails within 10 working days	98%	98%	<b>94%*</b>	O
<b>Invoices</b>				
We will pay 98% of undisputed and settled invoices within 30 days of receipt	99%	92%	<b>98%</b>	P

\* Due to the incompleteness of data during the month of changeover in theory test providers, correspondence statistics have been calculated to include 11 months data for the theory test.

\*\* Current supplier met target since September.

# Performance

The following table illustrates the demand and throughput for DSA's main activities.

Volumes by Activity '000s	2002/03	2003/04	2004/05 Plan	2004/05 Actual
<b>Car practical tests</b>				
Applications (net demand)	1,468	1,526	1,564	1,675
Throughput (FEPs)	1,404	1,489	1,700	1,752
<b>Motorcycle practical tests</b>				
Applications (net demand)	97	93	90	86
Throughput (FEPs)	96	94	90	86
<b>Lorry &amp; bus practical tests</b>				
Applications (net demand)	83	91	100	105
Throughput (FEPs)	81	88	100	102
<b>Theory tests</b>				
Applications (net demand)	1,505	1,535	1,617	1,483
Throughput (FEPs)	1,502	1,535	1,600	1,485
<b>ADI practical tests</b>				
Applications (net demand)	28	34	30	39
Throughput (FEPs)	26	35	34	42
* FEP means Fee Earning Period; a test slot for which DSA was paid a fee by the candidate.				

Demand for car practical tests in 2004/05 was 7% more than planned and 10% more than last year. This had serious implications upon DSA's ability to meet the needs of our customers.

Motorcycle test demand was 5% less than Business Plan, although throughput matched demand. Demand for lorry and bus tests was 5% more than planned.

Theory test demand was 8% lower than plan owing to fewer re-tests caused by higher pass rates.

ADI qualifying tests demand has grown now for 2 consecutive years at the rate of 21% and 15%, due largely to the increasing interest in the industry of training instructors. During 2004/05 demand for ADI practical tests was 30% higher than planned, but throughput still exceeded demand.

Our efforts are being directed towards better understanding of the nature of demand using wider demographic and social sources of data. During the year,

with help from DfT's Operational Research Unit, we adopted new models to forecast theory test demand and implemented new annual forecasting methods for car practical demand and these have informed the 2005/06 Business Plan.

### Car Practical Test Waiting Time

Despite variances in planned demand, the target to achieve an average practical car test waiting time of 6 weeks from January 2005 was effectively accomplished when we reached an outturn of 6.1 weeks. We managed this through intensive Driving Examiner recruitment and enabled customers to obtain car practical tests at weekends and at other times normally outside the working day.

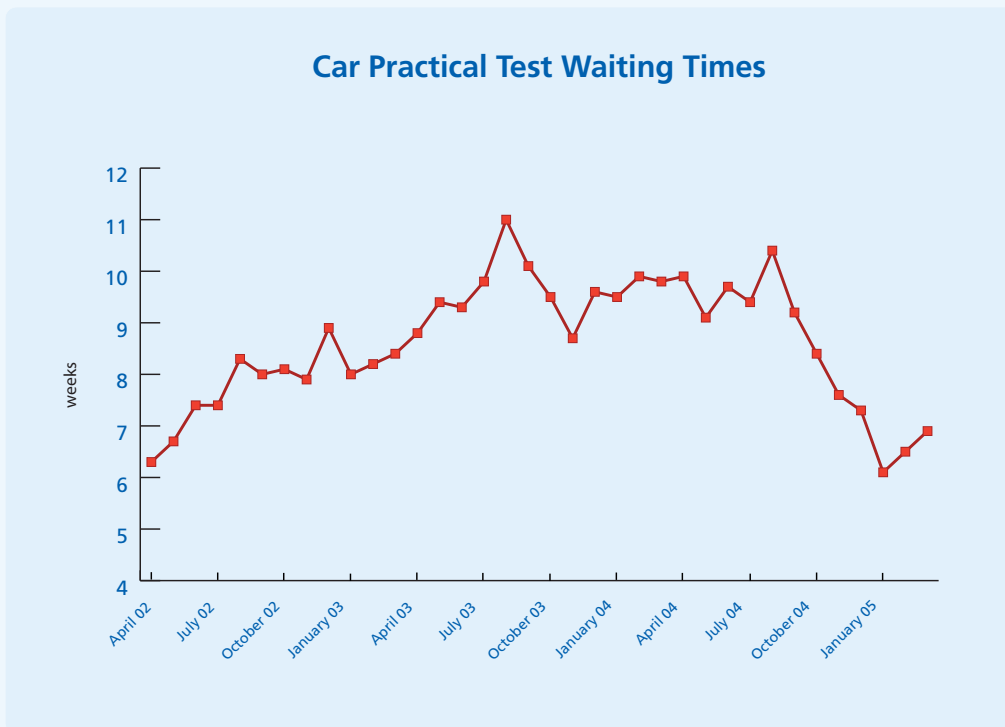
This concentration of resource has, however, compromised our efforts in

other directions, notably in the following 3 areas:

- The national average waiting time for lorry and bus practical tests was 4.3 weeks against a 3 week target.
- We recorded a 7 week waiting time for ADI practical tests against the target of 5 weeks.
- Only 1,315 ADI check tests were completed against our plan of 7500.

The average waiting time for the year was 8.4 weeks, with a peak of 11 weeks in July and a consistent month on month reduction continuing from June until January's successful achievement of 6.1 weeks.

The chart below shows the car practical test waiting times over the last 3 years and demonstrates how far we reduced the time customers waited for this test during 2004/05.



Register of ADIs	2002/03 Actual	2003/04 Actual	2004/05 Plan	2004/05 Actual
Initial Applications	16,819	22,330	28,000	23,942
ADI theory test	16,417	27,171	25,000	23,020
Practical tests	26,333	34,974	33,750	41,829
Trainee licences	4,344	6,268	5,000	7,149
New ADI registrations	3,250	4,292	4,500	5,056
Renewed ADI registrations	5,498	5,340	5,000	5,584
Check tests	6,958	9,791	7,500	1,315
No. of ADIs removed/resigned	1,457	2,708	1,500	2,089
ADIs on register	31,807	33,306	33,000	35,224

### Motorcycle Practical Test Waiting Times

The performance target of 4 weeks waiting time for a practical motorcycle test was exceeded, ending the year with a 3.3 weeks average waiting time.

### Internet Test Bookings

The number of practical driving tests booked by customers using the internet was 562,935. By the end of March 30% of customers were using the internet.

The number of theory tests booked by customers using the internet was 588,339. At the end of March 40% of customers chose the internet service.

### Other Booking Channels

During the year over 4.5 million calls were answered by our call centres, an

average of 1.85 calls per test. Another 1.73 million calls were routed through our ASR system and over 90,000 of those calls resulted in test bookings.

### Fleet Driver Register

The Fleet Driver Register covers ADIs who specialise in providing training to car and van fleet drivers. There are currently 962 registrations of whom

- 39 were registered after completing DSA's 3 part test.
- 744 were registered after completing accredited courses of an equal standard run by training organisations.
- 179 were registered after providing evidence of previous experience, however these registrations are only valid for the first year of the register.

## Pass Rates

The table below contains information to allow a comparison of pass rates for different categories of practical tests during the previous three years.

National Practical Test Pass Rates	2002/03	2003/04	2004/05
Car	43%	43%	42%
Motorcycle	65%	64%	64%
Lorry	49%	49%	47%
Bus	44%	45%	44%
ADI driving ability	44%	44%	45%
ADI instructional ability	29%	28%	28%

The fall in the practical car test pass rate is a concern to DSA. Apart from the implications for demand on re-testing, it raises issues about the readiness of candidates and the quality of their training and preparation. During the year we took steps to acquaint candidates and ADIs with the most common reasons for failure, which are:

- Observation at junctions and judgement
- Reverse parking observation or lack of accuracy
- Use of mirrors - checking or not acting on the information
- Moving away observation or control
- Use of signals given, not cancelled or misleading signals
- Incorrect positioning at roundabouts, on lanes and bends
- Reversing around a corner observation or lack of accuracy
- Lack of steering control too early or leaving it too late

- Turn round in road observation or lack of accuracy
- Inappropriate speed

The table below contains information to allow a comparison of pass rates for different categories of theory tests during the previous three years.

National Theory Test Pass Rates	2002/03	2003/04	2004/05
Car	62%	57%	64%
Motorcycle	80%	78%	86%
Lorry	73%	63%	70%
Bus	72%	61%	63%
ADI qualifying	69%	48%	51%
HPT for existing ADIs	n/a	n/a	65%

n/a not applicable

## Fraud and Integrity

DSA has established a dedicated fraud and integrity team which is now actively pursuing all reports of suspected impersonation at both theory and practical tests.

Several successful prosecutions have followed from the work of the team. We have contracted further work to an external company, who will continue to advise and assist the Integrity Team in conducting further investigations in respect of candidate impersonations and other acts of fraud.

# Helping to Improve Road Safety

The DfT Public Service Agreement (PSA) aims to improve road safety by reducing the number of adults killed or seriously injured in road accidents by 40% by 2010, compared with the averages for 1994/98.

DSA makes an important contribution through improved standards of safe driving and instruction. The conduct of fair and consistent tests for drivers and instructors is a primary focus.

The estimated number of people killed or seriously injured in 2004 was 28% below the 1994/98 baseline average and this achievement reflects credit upon our current performance levels against the PSA objective.

## **Pass Plus**

Developed to improve the safety record of inexperienced drivers, Pass Plus is designed to help newly qualified drivers become better drivers by allowing them to gain confidence and to increase their skill levels. Six modules cover driving on motorways and dual carriageways; driving at night and in all weathers; driving in town and in rural areas. Pass Plus certificate holders may qualify for a discount on their first insurance policy from insurers representing over 63% of the car insurance market.

The scheme is available to anyone who has passed a driving test but at this point in time is particularly focused upon the needs of novice drivers. The scheme syllabus has been recently revised to adopt a competency based approach and all accompanying literature has been developed and reissued to advertise these changes.

DSA has registered over 28,000 Pass Plus approved instructors. There has been a sustained increase in participating drivers, year on year, over the last 7 years of the Pass Plus Scheme. Take up for the Pass Plus scheme increased to over 16% of all car practical test passes in 2004/05, with over 115,000 certificates issued in the year. As this was the first year in which over 100,000 certificates were awarded, the customer receiving the 100,000th certificate was rewarded by DSA with a car.

This year, two more councils - Kirklees in Yorkshire and Fife in Scotland, have been presented with Certificates of Merit for promoting the Pass Plus driving scheme in their areas.

## **Driver Learning**

We now intercept new drivers at key stages in their learning about driving:

- A 'learning to drive' leaflet and a Driver's Record are issued with provisional licences.
- Before the theory test, a free copy of an information DVD entitled

'Are you Ready?' is issued, which includes advice about what to expect on the theory and practical driving tests, how to prepare and the main reasons for failure.

- An interactive 'Learning to Drive' DVD, which focuses on the whole process of learning to drive, was launched in October 2004 and has sold well.

### **Arrive Alive**

The Arrive Alive road safety programme provides information and road safety education to 16-19 year old pre-drivers. In 2004/05 we delivered a record number of over 5,000 presentations in schools, colleges, young offenders' institutions and the like. We would have offered 6,000 presentations but for the demands on car testing resources.

### **Arrive Alive Classic**

We delivered 183 Classic presentations to the drivers in the target 50+ age group.

### **Hackney Carriage & Private Hire Testing**

Over 50 licensing authorities including Transport for London now use the DSA taxi test to ensure the competence of prospective taxi licence holders. We delivered over 9,000 tests in 2004/05 and expect our involvement to grow.

### **Driver Quality Monitoring (DQM)**

2004/05 has been a year of consolidation for DQM. Our relationship with Arriva, Stagecoach and First Bus, the three major players in the industry, has continued along with our contract with Transport for London. We achieved a milestone in Scotland when a contract was signed to deliver DQM for Arriva Scotland West.

### **Occupational Driver Appraisals (ODA)**

During 2004/05, we worked with VOSA to identify suitable candidates for their 'Powers to Stop' programme. We provided driver appraisals for two coach companies to help in developing their respective road risk management strategies.





## Compulsory Basic Training (CBT)

DSA supervises motorcycle Compulsory Basic Training. There are now 633 Approved Training Bodies and 3,337 motorcycle instructors. In 2004/05, 581 supervisory visits were conducted and 220 approved training sites were authorised.

In total these diverse activities touch a wide spread of drivers and we hope to expand our road safety programmes in the future.

## Better Regulation Package

DSA consulted on a package of proposed improvements to the arrangements for taking driving tests. Many of the proposals originated from customer suggestions. Consultees broadly supported our proposals and made some additional suggestions for service improvements, which will be progressed in 2005/6.

## Rider Development Strategy

In partnership with motorcycling interests, DSA prepared a developmental training scheme offering benefits to a broad range of riders who already hold a full motorcycle licence irrespective of their level of riding ability, supported by standards for the training providers. DSA issued a consultation paper about these proposals in March 2005.

## Road Safety Bill

DSA managed the driver training and testing clauses in a Road Safety Bill, intended to provide the powers to implement many of the measures promised in the Governments' *Road Safety Strategy*. The key elements were:

- Improved road safety - particularly higher instructor standards.
- Improved customer service - improved administrative arrangements and more information for users of services.
- Improved security and anti-fraud measures.

The Bill fell with the dissolution of Parliament and has been reintroduced after the General Election.

## European Developments

DSA has been engaging with stakeholder interests to develop solutions for meeting the requirements of the professional competence directive for lorry and bus drivers, which was adopted in 2003.

New European standards that must come into effect no later than 2008 require new and more demanding manoeuvres to be added to the practical motorcycling test, requiring off-road manoeuvring areas. DSA has been reviewing its practical test centre estate, working with other members of the DVO group to identify sites that might deliver a range of DVO services.

DSA was part of the DVO team negotiating a Third Directive on driving licences. The draft Directive proposes amendments to driver testing and licensing arrangements, plus initial qualification and periodic training requirements for practical test examiners.

DSA has been a partner in a project - 'Towards a European Standard Test' (TEST) - designed to provide information to analyse the content, location and direction of practical tests. The project is managed by the international body for driving test authorities - Commission Internationale des Examens de Conduite Automobile (CIECA).

### **Promoting a Learning Agenda**

We had hoped to undertake an exercise at a number of driving test centres to trial measures to improve practical test pass rates. However, this initiative was withdrawn due to pressure on examiner resource to meet the six week waiting time target for practical tests. DSA has, however, sought to address the issue of poor practical test pass rates via the information and learning products which the Agency has produced.

DSA sponsored research to inform the proposed modernised arrangements for instructors. A competency framework for professional driving instructors was researched in partnership with stakeholders, which will underpin future training and assessment arrangements for instructors. The options for CPD arrangements were also researched.

### **Improving the quality of trainers**

Following extensive consultation, it was agreed with the ADI industry that all ADIs should meet the modern hazard perception standard. The service providing an assessment was introduced in January 2005 for those ADIs who had not already passed the HPT.



# Better

# Customer Services

## Continuous Improvement

DSA has continued to work closely with colleagues in the DVO Customer Insight Group in managing a customer research programme. The research, which includes annual surveys of learners, private motorists, and lorry and bus operators, provides us with feedback from our customers and measures satisfaction with a whole range of motoring services provided by Agencies in the DVO Group. Together with our DVO colleagues, we follow up research findings with action plans and regularly monitor their implementation.

We have also supported a programme of eight DVO workshops and focus groups held for lorry and bus operators to discuss issues of joint interest and concern. The feedback from the groups has been very positive. Another series of events will be held in 2005/06.

## Keeping Customers informed

### Public Relations

2004/05 saw us add two electronic titles to our stable of four printed magazines, *Despatch Express* and *The Standard Express*, which reflects the growing demand for speedier and more flexible ways to communicate with both driving instructors and staff. We continued to attend both national and local events to promote DSA's activities to a wide audience.

## Plain Language Project

The Plain Language project is a corporate enabling framework project for the One Stop Service for the DVO Group. The Project Board has representatives from all of the DVO Agencies and has identified three deliverables: a style guide, a glossary of terminology and a series of recommendations on how to communicate effectively with our customers whose first language is not English. Work on these deliverables continued throughout 2004/05 and will be completed by the summer of 2005.

## Customer satisfaction

### Candidate Satisfaction

This year, candidate satisfaction with the overall level of service received was 90%, with 44% of respondents being very satisfied. These excellent results are consistent with the high standards achieved in previous years and compare very favourably with those of other public sector agencies, where the average overall satisfaction score was 89%.\* In addition, 86% of candidates agreed that their examiner was fair and 87% agreed that their most recent test was fair.

*\* (source: ORC International Public Sector Customer Satisfaction and Best Practice Benchmarking Group).*

## Business Customer Satisfaction

This year, overall business customer satisfaction was 48%, with some 32% being neither satisfied nor dissatisfied; this is an increase of eight percentage points on the results of the previous year's survey.

We implemented a programme of action to address waiting times and improve telephone access. The increase in satisfaction can be attributed to the progress we made in bringing down practical test waiting times and improving the speed with which customers were able to get through on the telephone.

The key drivers of business customer satisfaction remain issues of flexibility and responsiveness, such as DSA listening to feedback from instructors and trainers, understanding their needs and working in partnership.

While there has been some increase in satisfaction with these aspects, there is still much to be done to address these areas. A Business Customer Relationship Manager will manage an action plan to

increase business customer satisfaction over the forthcoming year.

In addition to the business customer satisfaction surveys, we also surveyed potential driving instructors (PDI) for the first time. PDI satisfaction with the overall service received from DSA was 85%.

## Mystery shopping

We maintained our mystery shopping programme, undertaken by an independent research company, to quality assure the service provided by our telephone booking and enquiry lines.

This year mystery shoppers made 400 general enquiries, 50 real theory test bookings and 50 practical test bookings. Twenty of the theory tests were booked on line, as were 30 of the practical test bookings.

Practical tests were amended before being cancelled using the automated speech recognition (ASR) system for the first time. The feedback on ASR was positive:



'I was pleasantly surprised at how easy it was. There were no errors in recognising the numbers I read out. The appointment I had made was quoted successfully and I had time to say what I wanted to say.'

In relation to telephone booking, the mystery shoppers reported that getting through at the first attempt was much easier than last year - 78% this year against 53% last, and overall, 91% of calls were answered within 20 seconds. They also reported that staff were professional, efficient, polite and tried their best to help. This is reflected in the high satisfaction ratings in this year's candidate satisfaction survey, where 86% of respondents were satisfied with booking the practical test overall.

Feedback from mystery shoppers on the ease of booking tests using our on-line service was extremely positive. This reinforced the high levels of satisfaction reported from this year's candidate satisfaction survey, where, overall, 97% of respondents were satisfied with booking the theory test and 94% satisfied with booking the practical test on-line.

### **Focus Groups**

In addition to the surveys, ORC International also facilitated two interactive customer service workshops for instructors in Warwick and York in 2004. The feedback from the groups was helpful in informing our development of a new information DVD. The DVD, which we sent to all first time theory test bookers from 1 February as a pilot, was evaluated in a series of focus groups with candidates, PDIs and Business Customers in March and we will be adding to the content of the DVD as a result of that feedback from our customers.

### **Correspondence and complaints**

The target of answering 97% of all letters and e-mails was missed, with 94% of correspondence being answered within 10 working days. During the year we dealt with 258 Ministerial cases, 259 Chief Executive replies to MPs and 131 Chief Executive replies to others.

The number of complaints we received this year fell from 12,819 to 11,227, equivalent to one complaint for every 309 tests, or 0.32% of theory and practical test throughput.

### **Independent Complaints Assessor**

A new Independent Complaints Assessor (ICA) was appointed in August. Five formal cases (three fewer than last year) were referred for ICA attention and were concluded during the year. The areas of complaint included a dispute about the level of reimbursement of out-of-pocket expenses paid; refusal of permission to film a practical test; refusal to take a test in a defective vehicle; a disputed taxi assessment and a disputed ADI test. No maladministration was found and none of the cases was upheld by the ICA, although in the case of the disputed ADI test she did recommend that further information be provided, which we did.

### **Parliamentary Commissioner for Administration (the Ombudsman)**

No formal cases were forwarded to the Parliamentary Commissioner for Administration (the Ombudsman) this year.

# Modernisation and Business Improvement

## Value for Money Plan

The DSA Value for Money Plan to 2008 targets a minimum of 5% in economy, efficiency and effectiveness. For 2004/05, compared with a planned target of £831,000 efficiency gain, the Agency made £1,452,000 of efficiency savings.

## Modernising Systems

The modernisation of information and other technologies is an essential enabler to securing these savings, making step improvements to customer services, securing channel shifts and converging with the DVO agenda. We can report excellent progress during this year.

## Information Assurance

A dedicated team has been working to ensure DSA complies with the requirements of the Freedom of

Information Act; to answer requests for information within 20 working days. During the year we replied to 81% of requests within this timescale. The remainder were answered after 20 working days due to the complexity of the requests. Progress has also been made in preparing for the delivery of compliance with the security standard ISO 17799, with the intention of improving standards of security throughout DSA.

## New Theory Test Contract

The new theory test contractor, Pearson Driving Assessments Limited, began to take bookings in July 2004, 9 months after the award of the contract, on time and to specification. The transition from the previous vendor was virtually seamless.



Part of the test delivery operation is an innovative mobile testing facility which operates in the North of Scotland, serving candidates who live in the more rural towns and communities.

### **New IS/IT Contract**

Following an EU competitive procurement process, a new IS/IT services contract was awarded to existing supplier, Capita Business Services Ltd, in June 2004. It covers the operation and support of DSA's GSI Wide Area Network, application maintenance and support, and new developments. The contract formally started on 1 January 2005 and provided significant system enhancements.

### **Computers in Driving Test Centres**

The installation of computers in 350 practical driving test centres was virtually complete by 31 March 2005. As a result, all examiners can now access e-mail, the internet, Microsoft Office and Dashboard, the DSA intranet.

### **DSA Intranet - Dashboard**

Dashboard is a focal point for internal communications and during the year we added a significant amount of new content.

Feedback has been good and usage of the intranet has increased from around 8,000 visits a month in 2004 to almost 13,000 visits in February 2005.

### **Directgov**

In the year that Directgov has been available for use, DSA has been heavily involved in developing the motoring franchises' content. Working with other DVO Agencies, DSA has helped to create one reliable source for all customer-facing motoring information. These

information pages are now also supported by Directgov branded transaction pages.

DSA's online services such as the test booking and the mock theory test, have proved very popular, and consistently feature in Directgov's most popular links.

### **Integrated Register for Driver Trainers**

A project was initiated in September 2004 to integrate 5 separate Registers and databases holding records of driver and motorcycle rider trainers and instructors. It will improve efficiency and provide better customer service by enabling customers to conduct transactions with the Register electronically. The systems being integrated are:

- Register of Approved Driving Instructor and Pass Plus Register.
- LGV Voluntary Register.
- Compulsory Basic Training.
- Official Register of Driver Instructor Training (ORDIT).
- Fleet Driver Training.

### **Advanced Speech Recognition (ASR)**

The ASR system was introduced successfully in June 2004 and received almost 1.73 million calls, enabling over 90,000 customers to change a booking for a practical driving test without needing to speak to an operator.

### **Automated Driving Licence Issue (ADLI)**

Phase 1 of ADLI, the Road Safety Information System (RSIS), was successfully rolled out in February 2004.

The system uses optical mark and character scanning to accurately capture and validate all the data from the practical test report forms completed on tests by examiners.

The RSIS database provides quality assurance information and enables test results for candidates passing their test, who have paid the new fee and chosen this option, to be electronically transferred to DVLA. On the 9 August 2004, DSA and DVLA jointly delivered the service to newly qualified drivers. Since then, over 98,000 customers have received their upgraded driving licence automatically after passing a practical driving test.

### **Internet Booking Service for the Practical Test**

In June 2004 work began on the second stage of the practical test internet booking service. This stage involves additional functionality which will allow our customers to:

- Amend booked details;
- Change an existing booking to an earlier or later date;

- Cancel an existing booking and invoke a fee refund;
- Make a late cancellation of an existing booking and forfeit the fee; and
- Make any additional payment.

In addition to this we are also providing a better search facility. We are aiming to provide this improved level of service in summer 2005.

### **DSA Website**

The DSA website, in conjunction with Directgov, plays an important part in the communications strategy of DSA and DVO.

In December 2004 it was redesigned to include a new layout, a new navigational structure, a search facility and several new sections including Instructors, Specialist Vehicles and Road Safety Initiatives.

These improvements have proved popular with our customers and visits to [www.dsa.gov.uk](http://www.dsa.gov.uk) have almost doubled since the relaunch, with almost three times as many pages being viewed by





members of the public. The Instructors section has an option where instructors can register to receive the latest DSA news and information. Over 4,000 instructors have now registered and are receiving electronic newsletters.

### Leading DVO Wide Contact Centre Integration

In 2004/05 DSA took the lead on the Shared Virtual Contact Centre (SVCC) project on behalf of the DVO. The DVO Board agreed a feasibility business case and implementation plan. Work has commenced on procuring delivery of the IT and telephony systems to deliver the project.

### Introducing Internet Booking for Theory Tests for Qualifying ADIs

Internet Booking for qualifying ADIs was introduced in December 2004. The service enables candidates to book, check, change, or cancel their test on-line. Registered ADIs can also book their Hazard Perception Assessment on-line.

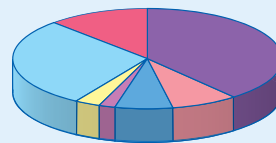
## Finance

The full years' results are covered in the accounts. Highlights for 2004/5 were:

### Outturn

This year DSA planned a £2.8m operating deficit as previous years' surpluses were re-invested into the business. The actual outturn was a deficit of £1.5m. After interest and dividends, the overall deficit amounted to £0.5m, some £1.7m better than plan.

### How We Spent Our Fees



Examiners Salaries	39 %
Other Direct	29%
Overheads	12%
Accommodation	8%
Booking	7%
Travel	3%
Training	2%

### Fees and Income

Planned fee increases were delayed and came into effect from 8 December 2004, some 3 months later than the planned implementation. The average increase in fees amounted to 5.1% including a stepped rise of £1.50 across all practical testing activities to meet the operating costs associated with the investment in new multi-purpose test centres. Overall income for 2004/05 was £128m compared to a planned level of £129.7m, the reduction being as a result of the delayed fee increases and reduced theory test volumes.

### Expenditure

Expenditure was £129.6m, £2.9m lower than plan. Key contributory factors were: reductions in staffing at call centres due to channel shift, achieving targets, administrative functions in line with our VFM plan, timing differences on examiner recruitment during the first part of the year, and the success of our e-agenda. Theory test volumes were significantly below plan and had a consequential effect of reducing payments to the contractor.

Lower depreciation costs arose from delays in the investment programme.

### **Prompt Payment**

The prompt payment target of 98% was achieved with an outturn of 98.2%. Performance improved over last year as invoices were more proactively managed through the system. In March, the scanning and registration of invoices was brought back in-house from DVLA, which is expected to bring further benefits in 2005/06.

### **Investment Programme**

Actual capital expenditure was £7.4m compared with a plan of £18.9m, the balance has been carried forward to 2005/06. The main element of the investment programme for the year was the first £10m of a £60m investment in acquiring and building multi-purpose test centres with motorcycle manoeuvre areas for conducting the new motorcycle test in 2008. Although good progress was made with establishing the project and identifying half of the potential sites, only £0.2m of this budget was physically spent during the year. Other investment projects were pretty much to planned timescales and budgets, and majored on IT projects.

### **Return on Capital Employed**

The target level of return on capital employed (ROCE) was reduced to 3.5% with effect from 1 April 2005 as a result of revised Treasury directions. DSA obtained Treasury approval to continue to utilise previous surpluses to offset against this target, thereby enabling a deficit plan in 2004/05. After allowing for interest receivable, the planned level of ROCE in the year was for a negative 1.5%. The actual ROCE amounted to a positive 0.8% when allowing for interest receivable REF: note 26 of Accounts.

### **Procurement**

A total of 31 new contracts were awarded for periods ranging between one and six years. The total spend value of £27.4m was dominated by the six year contract awarded to Capita for IS Services, which produced a 15% reduction in the monthly service charge.

Other contracts included:

- a national contract for mechanical & electrical maintenance of DSA's estate, resulting in significant cost reduction compared with the previous supplier.



- regional framework contracts for test centre refurbishment work, with resultant economies of scale.
- a contract for renewal of noticeboards at test centres, delivering both better provision of information to customers and a guaranteed income to the DSA from selected advertising.
- a contract for investigation and surveillance services on behalf of DSA's Integrity Team.

## Efficiency

### Shared Services Review

During the year, DfT embarked on its review of Shared Services, commencing with Finance and Human Resources. DSA Directors were engaged with the review. In April, recommendations to move to a common Finance/HR/Payroll platform and a shared services centre, centralising transaction processes and providing them to the DVO and DfT family, was approved by the DfT Board.

The review has subsequently had Ministerial approval and has moved into the design stage. DSA subject experts will participate to ensure the common processes are effective, efficient and meet our business needs. DSA is due to commence transition into Shared Services and embrace the new processes and staffing structures for 1 April 2006.

### Programme Office

The DSA's Programme Office was set up in response to Central Government's aim of maximising civil service-wide competence in Project and Programme Management.

The Programme Office reports Project developments, milestones and financial details to DVO on a monthly basis, and is considering the process of developing a more effective method of identifying, measuring and advertising the benefits to be accrued from projects.

### Best Working Practice

The Best Working Practice Group meets quarterly, and representatives from many parts of DSA consider examples of Best Practice and suggestions for improvement. A consensus having been agreed on the applicability and efficiency improvements to be obtained from each issue discussed, the appropriate implementation process is initiated.

51 suggestions for improvement were considered during the year and 37 were adopted as Best Practice. A further six are awaiting implementation, and one is being reviewed.

### SAP HR

Following the successful implementation of the SAP Financials system in 2003, the Personnel Administration, Organisation Management and Training and Events modules of SAP were introduced on 1 November 2004.

The Finance and HR systems now provide integrated processes producing benefits in terms of the speed and accuracy of data available.

As part of the provision of PCs to driving test centres in 2004/05, we are now providing all driving examiners with the facility to submit travel and subsistence claims electronically through SAP.

## Greening Operations

An Environmental Policy Statement was introduced by the Chief Executive in March 2005. The statement sets out the main aims and objectives for DSA, all staff and DSA contractors. The statement has been made available to all staff and is on our website.

A web-based Environmental Management System (EMS) has been introduced in Eastgate House (Northern Area Office), Stanley House (Headquarters) and Cardington Training Centre.

## Sustainable Development

Meetings were held with contacts in Headquarters, Cardington and the Area Offices, which have helped in planning how to take the Sustainable Development Agenda forward.

Waste and Energy audits were carried out at Stanley House, Eastgate House and Cardington, and also at Gedling and West Bridgford driving test centres. These reports will help us to identify savings that can be made in energy consumption and reductions in the amount of waste produced, re-used and recycled.

## People

### Sick Absence

Sick absence increased disappointingly to an average of 14.6 days in 2004/05 from 13.9 days in 2003/04, against our target to meet a reduction to 11.1 days.

Given the human issues as well as the loss of productive capacity this represents, we are considering improvement measures as a priority. Work commenced to improve the recording and monitoring of absence through the introduction of the SAP HR Time Management module. The effectiveness and application of the absence management procedure is also currently being reviewed, and re-implemented.

### Rewarding and Developing People

DSA continued to make progress towards fair and market related pay. This included accelerated pay progression for persons with 10 years service in grade; increases in minima and maxima pay points and an increase in the London Working Allowance.

This significant restructuring of pay bands was benchmarked against public sector and, where appropriate, private



sector comparisons. The result was an improved ability to recruit and retain people with the skills and talents needed to achieve DSA's objectives.

Volumes of vocational training for Driving Examiners were extremely high this year with 337 new Driving Examiners successfully completing the course at Cardington, almost four times the average number of examiners receiving training in previous years.

The five year rolling programme of refresher training for examiners was slightly delayed due to the demand to train new Driving Examiners but the process started with a pilot in early 2005 and is set to gather pace through the next financial year.

DSA has an Open Learning Venture to which staff can apply for training which is not linked directly to their job. During the year, 128 people had funding for courses under this scheme.

### Performance and Development System

A new performance appraisal system (PDS) focused on the individual's development was launched with training sessions for all managers, and was followed by staff briefings.

The new system is based on the outcomes of staff focus groups and analysis of best practice. PDS is now the key tool for developing staff for better performance on their current role and for creating talent pools for future vacancies.

Formal one-to-one sessions between staff and their managers are now being conducted on a regular basis and these will be brought together with the first End of Year Statements at the end of January 2006.

### Industrial Dispute

DSA experienced industrial action resulting in a one day strike in November 2004. Although further action was planned for March 2005 in relation to the civil service wide dispute on pension changes, it did not take place pending further discussions at National level. However, some 1,700 test slots were lost in March due to the lack of time available for rebooking.

### Health & Safety

A new Occupational Health and Safety Policy was formulated and implemented.

The following table shows the number of incidents on test over the last three years.

	2002/03	2003/04	2004/05
Accidents on test	708	622	855
Accidents on test / number of tests conducted	1:2,030	1:2,589	1:2,329
Near misses on test	156	181	241
Near misses on test / number of tests conducted	1:9,214	1:9,469	1:8,262
Assaults on test	233	197	325
Assaults on test / number of tests conducted	1:5,819	1:7,651	1:6,108

While the number of accidents on test increased, the ratio of accidents on test to the number of tests conducted reduced.

Despite the increase in accidents, fewer resulted in hospital or GP treatment during 2004/05, although more required first aid or other treatments. DSA provides the opportunity for staff to have alternative treatments which have been proved to have a positive effect on whiplash injuries.

### **Work Related Road Safety**

In response to proposed legislation concerning corporate manslaughter, DSA has completed a project to study the best practice in managing Work Related Road Safety (WRRS) for its staff. The recommendations were approved by the Corporate Management Team and the policy is currently being implemented.

Following risk-based assessments staff will be given appropriate guidance which could involve attending an interactive group training session and/or in-car development with a member of the Technical Standards Branch.

### **Diversity**

DSA recognises that valuing and embracing diversity is key to its continued success and a well motivated workforce. All applicants, employees and customers of the DSA experience an Agency which considers individuals with respect to their own individuality and abilities and which is not influenced in any way by their gender identity, marital status, race, colour, ethnic origin, sexual orientation, disability, age, religion or belief, employment status, working patterns, caring responsibilities or trade union membership.



## Employees

DSA encourages a diverse workforce where staff are treated equally and fairly. DSA believes in continuously evaluating its policies and procedures to ensure they do not directly or indirectly adversely impact on any employees or customers. Discrimination is not tolerated.

Since the introduction of the DSA's Race Equality Scheme, DSA is working to ensure the elimination of racial discrimination, promotion of equal opportunity and good relations between different racial groups. A similar scheme is now in development for disability.

DSA's workforce is currently made up of 30% women and 70% men. Of the total workforce, 3.6% have declared themselves to be disabled and 4.7% come from ethnic minority groups.

DSA is providing mandatory Diversity training for all members of staff as part of its long term vision of valuing diversity and creating an inclusive Agency. This is fully supported by the management team who will be the first to participate in the training, alongside the recognised trade union, PCS.

DSA has set up disability and ethnic minority employee network groups with full management team support to help in the goal of achieving an equal and diverse workforce.

DSA was ranked 89th in this year's Stonewall Corporate Equality Index, making it the highest placed government agency with regards to gay-friendly policies and practices.

## Customers

For those for whom English is not their first language, DSA currently provides a voiceover test for the car and bike theory tests and information on attending the theory test centre in 21 languages. In addition, there are a number of independent approved translators, who are authorised by DSA to provide support to candidates taking a theory test in a language for which we don't provide a voiceover facility. There is also a provision for translators to accompany candidates on practical driving tests.

DSA wishes to ensure that it is consulting with a broad range of minority ethnic customers and interested parties, and is currently reviewing the list of bodies consulted.

Work has also been completed on the 2004 customer focus groups for minority ethnic customers. We plan to capture more information to provide a fuller picture of the experience of our minority ethnic customers.

## Employee Opinion Survey

In view of the initiatives to achieve six weeks average test waiting times, the survey was deferred until March 2005, and the resulting actions are currently being identified. DSA is committed to taking action on the findings.

## Inspirations @ Work Scheme

During this successful year over 160 suggestions were considered, resulting in 50 staff being given financial awards collectively totalling over £2,000.

The goal of reducing the time taken to reply to suggestions to a 3 months period has been broadly achieved.

## **Respond Correspondence Monitoring and Tracking System**

Following the extension of the Respond Correspondence Monitoring System throughout DSA and the delivery of user training, the system went live on 1 May 2004.

## **Estate Strategy**

A strategic review of the estate was carried out during the year and recommended the investigation of new ways of working and how the implementation of these might contribute to ensuring the optimum use of space occupied by DSA.

In response to demand for space to accommodate a significant increase in examiners in London & South East this year, we have progressed the implementation of a programme of minor building works and the installation of space-saving furniture at driving test centres. DSA has plans for additional works and possible acquisitions to accommodate an additional 73 examiners.

To ensure value for money, to achieve effective maintenance and to help reduce energy waste, DSA tendered the Mechanical and Engineering contract for the entire estate and a new contractor was appointed commencing December 2004.

The programme of works to upgrade properties under the Disability Discrimination Act has continued to provide the necessary access & facilities for both staff and candidates at the majority of test centres.

An Environmental Policy meeting the standard of ISO 14001 will form the basis of responses to the many new and exacting challenges created by the

introduction of the Framework for Sustainable Development on the Government Estate.

## **The Multi-Purpose Test Centre Project**

Implemented to meet EU legislation and the consequent changes to the current motorcycle test, The Multi-Purpose Test Centre Project has identified the need for 53 permanent new test centres to be built by 2008.

Approximately 15 casual sites in mainly rural areas are also to be made available. These will provide large, safe, off-road manoeuvre areas for motor cycle tests as well as practical car test facilities. Some sites will also include provision for LGV testing.

Approximately 25 sites were identified during the latter part of the year and are currently progressing through the approval, acquisition and site development process. The modern design will contribute to a general improvement in the quality of the DSA estate for the benefit of staff, training bodies and customers.