



2010-11

An executive agency of the
Department for
Transport

Director General Context



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

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

Our Group aims:

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

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

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

Steve Gooding
Director General
Motoring and Freight Services Group

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a modern, highly efficient organisation,
providing complete, accurate and up to date
information and services that fully meet
customer and stakeholder requirements

Chief Executive's Introduction



We need to continue with our aggressive move toward electronic transactions...

In 2009-10 we achieved or exceeded all of our Secretary of State targets. We delivered the lowest level of road tax evasion we have yet seen, hit all of our customer service targets, exceeded our financial targets (cost savings/efficiencies, fine income, results as a Trading Fund and Return on Capital Employed) and have delivered most of our service change aspirations. This puts us in a good position to meet the challenges of 2010-11.

In December 2008 and February 2009, our fee generating first vehicle registration was down by 37% against the comparator months in 2007-08. Over a full year, this level of downturn would have seen our income diminish by nearly £55 million from that transaction stream alone. During 2009-10, we saw a gradual recovery of volumes across the board not least aided by the Government scrappage scheme. We cut back on our operational spend and froze a number of projects. Due to the increased vehicle sales and our focus on costs, we are likely to post a result substantially better than the Business Plan predicted.

However, we have seen behavioural changes during the last year, especially in the corporate sector for fleets and operators, which suggest that 2010-11 will be a tougher year for DVLA than 2009-10, buoyed as it was by the scrappage scheme. We have yet to see the anticipated levels of smart tachograph card activity predicted and are still seeking to raise the transaction volumes of driving licence 10 year photocard renewals to those anticipated.

We have included in our planning assumptions a continuation of the cost savings already achieved – indeed accelerating during the year as we start to undertake some fundamental restructuring internally to adapt to the channel shift from paper to electronic transactions. We are well in tune with the Government wish to see transactions made available electronically. This is completely aligned with our five year Strategic Agenda and we see a move away from paper forms across a wider spectrum of our activities during the year.

We see meeting our customer service and data security commitments as real organisational imperatives. However, for us to take the step changes needed in operating costs, we need to continue with our aggressive move towards electronic transactions and gleaning the structural benefits from these shifts. Next year will see our new Post Office® channel for driver transactions commence and roll out, the first live actions under the new Continuous Insurance Enforcement (CIE) regime, greater cross-Government working to eliminate duplications and the benefits of our newly negotiated extension for our Information Systems services. We are maintaining our balance between service and investing to make radical efficiency gains for the future.

Our Trading Fund status has been a critical enabler for us in maintaining this balance and providing the funding flexibility and planning certainty to maintain the direction set out in previous Strategic Agendas. However, our main assets, without intent to cliché, have been DVLA staff who have worked hard to deliver change alongside delivering services to the public and our delivery partners. I have every confidence that we can repeat our success if we work together in the same positive way over the coming year.

Noel Shanahan
Chief Executive DVLA

1.1 Who we are

The DfT aim is “**transport that works for everyone**” with an objective to oversee a reliable, safe and secure transport system by setting strategy and policy whilst sponsoring the agencies that deliver front line services.

establish and **maintain** an **accurate record** of all those who are entitled to drive various types of vehicles, together with a register of all vehicles entitled to travel on public roads.

These registers underpin action by DVLA, the Police and others to keep road users safe and ensure that the law is respected and observed. They allow us to collect Vehicle Excise Duty (VED) or 'road tax', effectively, and can be used to deliver other government initiatives such as traffic management and reducing carbon emissions.

a **modern, highly efficient organisation**, providing **complete, accurate** and up to date information and services that fully meet customer and stakeholder requirements.

We will get better at the work we do by continuing to transform DVLA from a paper based to a digital organisation...

The Purpose of this Business Plan

This Business Plan sets out 2010-11 business objectives, key activities and targets.

The document provides details of:

- where we are heading
- what we plan to deliver
- how we will get there
- forecasts for finances, workforce numbers and transaction volumes (Annexes A to D)
- key risks to delivery (Annex E)
- Sustainable Development Action Plan (Annex F).

1.2 Our strategic direction

This business plan represents the first year of actions set out in our Strategic Agenda.

DVLA's contribution to DfT objectives focuses on five key outcomes:

- 1 Better transport safety and security.
- 2 Tackling fraud and serious crime.
- 3 Working across government to save money and improve customer experience.
- 4 Collecting road tax.
- 5 Underpinning action to increase sustainability.

We work with a number of partners¹ to deliver these outcomes and rely on a number of key outsource suppliers².

We will get better at the work we do by continuing to transform DVLA from a paper based to a digital organisation, with information available online 24/7. We will also make the data we hold more accurate and more available both for the convenience of our customers and the effectiveness of those organisations we work with to achieve our core purpose. This transformation will contribute to the Government's Sustainable Development (SD) agenda as we work towards reducing our energy use, waste such as paper and increasing choice for our customer.

Our objective is to deliver better compliance, improved customer service and increased value for money in a sustainable way. We assess all our proposed changes and investment projects against this framework. Our focus is on driving efficiency and productivity, ensuring our records are accurate, providing the best service to our customers.



¹ Police, Courts, Local Authorities, Driving Standards Agency and Vehicle and Operator Services Agency.

² Post Office Counters Ltd, IBM/ Fujitsu, NSL Services Group, Telereal Trillium, Serco.



DVLA Business Objectives for 2010-11 are to:

1

Ensure our records are accurate enough to meet the needs of our customers and the effectiveness of the organisations we work with.

2

Deliver the services we provide, update and maintain our data, provide appropriately secure access to our records – in a way that meets the accuracy and availability needs of those we interact with.

3

Ensure customers receive a level of service and choice of channels that encourages them to comply with their obligations under the law without the need for enforcement activity.

4

Ensure that the legislation and processes work efficiently and effectively, not unduly burdening those already compliant.

5

Increase the VED collected by ensuring that non-compliance or evasion is as low as cost-effectively possible.

6

Reduce the resources required to deliver our own business by becoming progressively more productive, specifically by continuing to channel shift from paper to electronic services and restructuring our organisation to take advantage of the more efficient e-channels.

7

Develop our organisation and its capabilities in a way that not only makes us more productive but also quicker in responding to the changing needs of our stakeholders.

8

Enable ourselves and other organisations in Government to improve efficiency and reduce the burden on the public purse by exploiting our joint capabilities and working closer together.

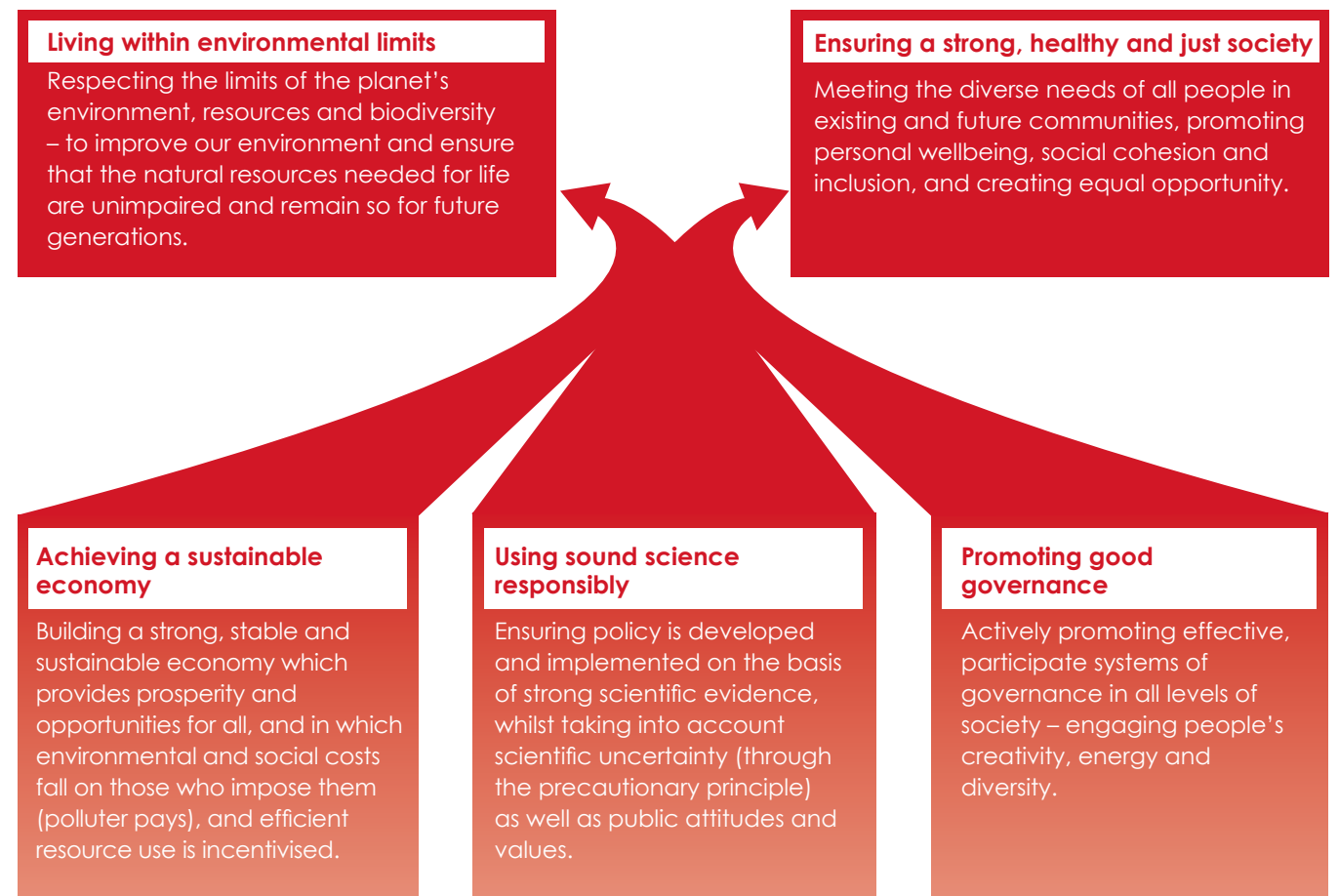
Sustainability as a core driver

One of the key business objectives for the Agency is to ensure that driver and vehicle records are accurate. This will enable the police and others to enforce motoring and wider laws on which a strong, healthy and just society relies.

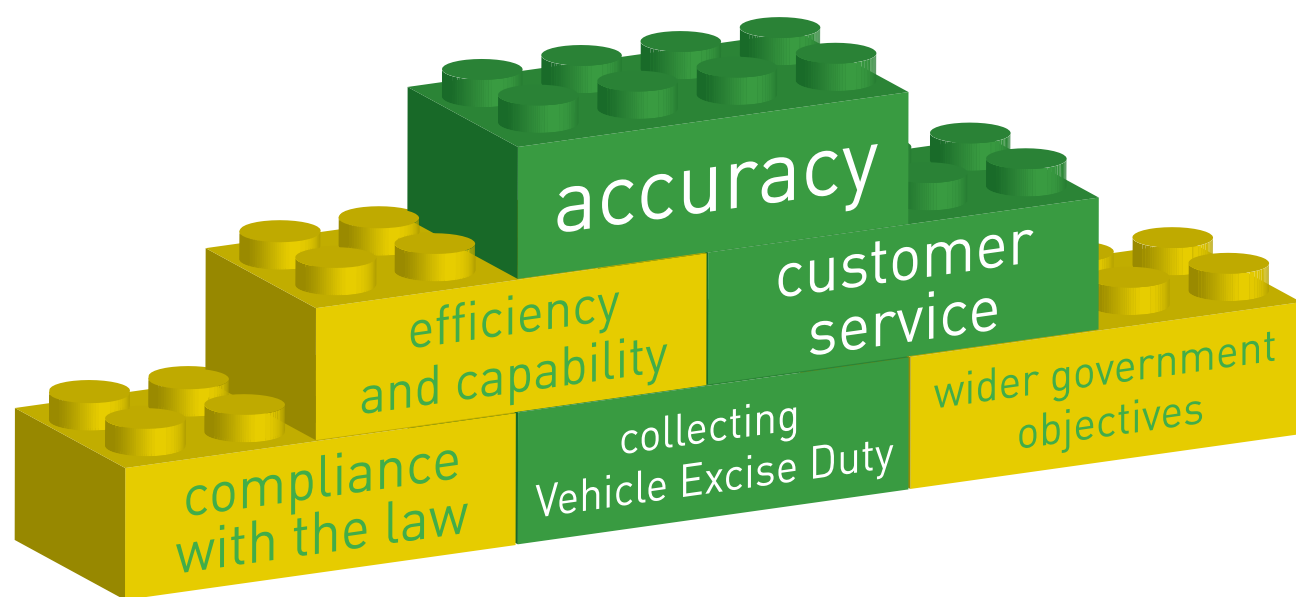
Another business objective is to reduce resources used in line with the UK Sustainable Development Strategy 'Securing the Future' (March 2005) that states four priorities and five key principles:

- **Sustainable consumption and production** – working towards achieving more with less.
- **Climate change and energy** – confronting the greatest threat.
- **Natural resource protection and environmental enhancement** – protecting the natural resources on which we depend.
- **From local to global, building sustainable communities** – creating places where people want to live and work, now and in the future.

See [Annex F](#) which details the four key sustainable actions for 2010-11.



What we will deliver



Complete achievement of the £80.7 million three year target of efficiency savings for 2008-2011 by saving £36.2 million in 2010-11

2.1 Secretary of State targets 2010-11

	Target 2010-11	Target Measure	Longer Term
Better compliance to support improved road safety			
1	Accuracy (traceability) Maintain the accuracy of the Vehicle register so that a registered keeper can be traced from details held on record in 95% of cases.	95% of cases (see 2.2)	Introduce further process improvements to maintain accuracy of the register more efficiently.
Transforming customer service			
2	Customer satisfaction Deliver the 8 DfT Customer Promises.	Achieve the 8 DfT Customer Promises (see 2.3)	Extend measures in response to customer expectations gathered through feedback and surveys.
Improved efficiency and capability			
3	Value for money Complete achievement of the £80.7 million three year target of efficiency savings for 2008-2011 by saving £36.2 million in 2010-11.	£80.7 million total 2008-11	Beyond 2011 radically increase efficiency savings including contribution to the Operational Efficiency Programme.
	Finance Deliver financial performance agreed with DfT to at least balance income against expenditure for the 2010-11 year end accounts.	Break even or better	Manage Trading Fund income and expenditure, breaking even, taking one year against another.
Contributing to wider government objectives			
4	Collecting tax for the government Collect over £5 billion of VED (net of refunds) and through enforcement action exceed £100 million in additional VED collected for the period 2008-11.	Over £100 million total 2008-11	Collect VED and enforce compliance.
	Improving insurance compliance Introduce Continuous Insurance Enforcement (CIE) and have started to issue Insurance Advisory letters by 31 March 2011.	31 March 2011	Build up to full capacity on CIE.

2.2 Accuracy of the record



Business Objectives 1 & 2



Target

Maintain the accuracy of the Vehicle register so that a registered keeper can be traced from details held on record in 95% of cases



Accuracy

The Agency will continue to identify issues and explore better ways to maintain and improve the accuracy of the driver and vehicle record by developing an accuracy plan for our Core Accuracy Team (CAT) to focus efforts across the business.

We have recently introduced:

- Facilities to update drivers' details by phone to make it easier for customers to notify changes. Our Contact Centre staff are now checking and prompting address updates on all calls when they access a record.
- Templates and consultation steps for all projects and business process change proposals to ensure accuracy features in all decisions made.
- A new internal but independent CAT team to check and evaluate the accuracy of the information we enter onto driver and vehicles records.

During 2010-11 the Agency will continue to tighten its authentication and data access security in line with Government policies



Information and Data Security

Processing data and information is what we do and why we are here. Improved availability and use of information will improve public services making access more convenient and ensuring customers are provided with the services they are entitled to expect.

Customers who want improved services, also want security and their privacy protected. Achieving

this balance is never simple and DVLA is working closely with Identity Management initiatives across Government to ensure we have robust processes in place that do not duplicate the work of other government departments.

During 2010-11 the Agency will continue to tighten its authentication and data access security in line with Government policies. It will improve information and data security, ensure compliance and development of security.

During the year we will continue to:

Accuracy

- Remind and encourage our customers to update their details on record. We will do this through general marketing and using data matching against third party databases (Government and private sector), where an alternative address for a customer is identified we will send targeted reminders.
- Increase the number and scope of transactions covered by the independent accuracy checking and evaluation team. This will keep the DVLA Executive Board (see Annex G) fully sighted on input accuracy performance across the Agency, and maintain the momentum of the cultural change being driven through our Core Accuracy Team.



Information and Data Security

- Deliver compliance with new industry security standards for card payments.
- Expand our trading activities under the Information Fair Trader Scheme.
- Carry out Privacy Impact Assessments, especially when we introduce significant changes in processes or new products, to identify and manage privacy risks.
- Continue to protect all DVLA information assets from internal and external threats whilst ensuring business as usual works effectively.
- Provide ongoing and regular training for information asset owners to safeguard Agency information.
- Design and develop a programme of education and assessment on Information Security for Agency staff.



Pilot Studies



Home Movers – we will use third party database details (Government and private sector) of customers to identify those who have moved house, and send them a letter to remind them to update their driver and vehicle records.

Vehicle Relicensing Reminders – we will match the vehicles records against third party databases and, when a different address is found, send a letter prompting them to update their address.

Paper Licence Holders – we will identify customers who have not been in touch with DVLA for more than ten years before searching for alternative addresses for these customers through data matching against third party databases. Where a possible new address is found we will send a letter prompting them to update their address on DVLA's records.



2.3 Customer service and satisfaction



Business Objectives 2 & 3



Target

Deliver our
Customer Promises

In 2009 - 10, DVLA issued over 9.2m driving licences, registered 2.45m new vehicles and completed 43.4m vehicle licensing transactions, (all of these transactions are available electronically). In 2010-11 we will continue to look at ways to improve and provide a more efficient and effective service that meets customer expectations.

In 2010-11 we will continue to look at ways to improve and provide a more efficient and effective service that meets customer expectations and fulfil the eight DfT Customer Promises.

We will:

- Provide a full response to enquires quickly.*
- Provide a full response to complaints quickly.*
- Respond to telephone calls promptly and endeavour to resolve all enquiries at the first call.*
- Use reliable and accurate methods to measure customer satisfaction on a regular basis.
- Provide our customers with information that is clear, accurate and complete. If we do not have all the information required, we will advise customers when they will receive the information they requested.
- Ensure that our staff are polite and friendly to customers at all times and understand our customer needs.
- Make information about the full range of services we provide available to our customers and potential customers, including how and when people can contact us, how our services are run and who is in charge.
- Make particular efforts to identify hard-to-reach and disadvantaged groups and individuals and have developed our services in response to their specific needs. We have policies and procedures that support the right of all customers to expect excellent levels of service.

Note: those items marked * are measured within our timeliness targets [page 23] – the other promises are covered by the "Customer Service Excellence" standard.

DVLA is accredited to the Government 'Customer Service Excellence' standard and achieved re-accreditation, including an increase in 'compliance plus' (exceptional service) to the standard in 2009. During 2010-11, we will continue to deliver public services that are increasingly responsive to customer needs. For more information on 'Customer Service Excellence', see www.cse.cabinetoffice.gov.uk

During the year we will continue to:

- Contribute to the achievement of the Government Service Transformation targets to:
 - Reduce the amount of avoidable customer contact by 50% by the end of the Comprehensive Spending Review (CSR) 07 period.
 - Migrate 95% of all services to Directgov/Businesslink.gov by the end of the CSR 07 period, with the remaining 5% migrating soon after.
- Maintain our Customer Service Excellence accreditation.
- Achieve 17 of out 19 Service Timeliness Targets (see page 23).
- Use customer insight, data analysis, usability testing, research and marketing to improve the customer experience of our services.
- Undertake customer satisfaction research across a range of customers.



Significant changes or improvements during the year will be to:

- Make our services more accessible in accordance with principles set out in the Better Regulation agenda and DfT Simplification Plan www.dft.gov.uk/about/eibr/simplificationplan.
- Implement improvements identified to the customer complaint process.
- Convert low value information calls, such as 7,500 calls per month about renewing licences for the over 70's and removal of endorsements, to high value calls, by completing the transaction with the customer wherever possible during the first call, without the need for a paper application or a call back.
- Revise the DVLA Personalised Registration processes – including making a greater range of numbers available, improving products and methods of sales.
- Revise the *Vehicle Registration process* covering transfer of vehicles between keepers to reduce the number of enforcement notifications through dual notification and known vehicle crime weaknesses.
- Review the end-to-end *Vehicle Licensing process*, ensuring all aspects continue to meet the needs of customers whilst maximising efficiency and compliance.
- Examine the current refund process, with a view to improving customer service, and reducing the level of internal handling currently required.
- Deliver an improved Information Systems infrastructure to enable expansion of the electronic Fleets relicensing service.
- Meet expectation and increased demand for driver licence checking in light of the recent introduction of the Corporate Manslaughter legislation.



Pilot Studies



Driver Licence Fees – the current fees page, available to customers online will have information about all driving licence application forms and the forms will have information about the online link. This will help customers easily find out the correct fee for the type of application. This will also reduce avoidable calls to the DVLA Contact Centre.

The Agency will also trial a new service where customers can call an 0800 freephone telephone number to find out the most up to date fee for their driving licence.



Drivers Medical Renewals – this aims to give customers the option to renew their driving licence online. They will fill in a medical questionnaire and if required due to a medical condition, they will be prompted to print a further questionnaire for their doctor to fill in. Driver's Medical Renewals is one of the high volume transactions dealt with by the Agency and this solution aims to speed up the application process and ensure all the correct data is available at the first contact.

Service Timeliness Targets	Target 2009-10	Target 2010-11
Driving Licences		
To deliver a 1st driving licence within 8 working days	98%	98%
To deliver a vocational licence within 8 working days	98%	98%
To deliver an ordinary driving licence within 10 working days	97%	97%
To deliver a digital tachograph renewal in 14 working days	N/A	98%
Medical Investigations		
To conclude a simple case within 15 working days	88%	88%
To conclude a complex case (one that requires further medical investigation) within 90 working days	85%	85%
Vehicle Registration Document		
To deliver a first registration document, excluding cherished transfers, within 14 working days	95%	95%
To deliver a change on a registration certificate within 14 working days	95%	95%
To deliver a registration document from an application (notifying changes to the registration certificate) within 30 working days	95%	95%
Vehicle Excise Duty Refunds		
To deliver a refund due within 30 working days	95%	95%
Customer Service		
To answer call demand	95%	95%
To deliver quality of service in the Contact Centre	85%	85%
To answer an email within 3 working days	95%	95%
Keep average local office queuing time to no more than 15 minutes	15:00	15:00
To deliver a Cherished Transfer within 7 working days	95%	95%
Customer Complaints		
To acknowledge a complaint within 1 working day	100%	100%
To maintain or improve on last year's performance sending a substantive response within 10 working days	96%	98%
MP Correspondence		
To acknowledge correspondence within 1 working day	98%	98%
To maintain or improve on last year's performance sending a substantive response within 7 working days	94.2%	98%
Overall	16 of 18	17 of 19

Road Safety



The Agency has been registering and issuing tachograph cards since 2005 and maintaining the quality and integrity of the records. In July 2010 the first of the driver and company cards will need to be renewed. The first reminders will be issued to drivers in April 2010.

By issuing a renewal reminder letter, drivers and vehicle operators will have a simple mechanism to renew their tachograph cards in a timely manner without disrupting their day-to-day work. The reminder will also raise awareness of the legal obligations required of them under drivers' hour's rules and tachograph legislation.

Vehicle Licensing

Vehicle Licensing and Enforcement activities for collecting road tax are funded separately to the other DVLA income streams. Resource is provided from the Consolidated Fund (i.e. Vote Funding) via a Service Level Agreement (SLA) with DfT held on behalf of HM Treasury. We have agreed a 7.6% reduction in our funding in cash terms from the original allocation for 2010-11, so the challenge will be to maintain the current high level of compliance by increasing efficiency.

...the challenge will be to maintain the current high level of compliance by increasing efficiency

Enforcement

In response to the increasing problem of uninsured driving, the Government initiated a review of all areas relating to motor insurance, by way of the "Greenaway Report into Uninsured Driving". As a result of the report, the Government commissioned DVLA to introduce a record-based compliance and enforcement regime – Continuous Insurance Enforcement (CIE).

The powers to undertake the scheme were included within Section 22 of the Road Safety Act 2006, which makes it an offence to be the registered keeper of a vehicle without a valid insurance policy or Statutory Off Road Notification (SORN) declaration in force. Regulations for the scheme will be laid before parliament by mid 2010 in readiness for implementation in February 2011.



It is estimated that around 1.6m uninsured vehicles are on the road at any one time.

Uninsured drivers are:

- 9 times more likely to be involved in a road traffic collision, and
- 10 times more likely to have a drink-driving conviction.

During 2010-11, DVLA will work in partnership with the Motor Insurers Bureau (MIB) to reduce the number of uninsured vehicles used on the public road. The MIB will issue Insurance Advisory Letters to inform the keeper that their vehicle appears to be uninsured. The keeper will be advised to either:

- insure their vehicle,
- declare the vehicle off road (SORN), or
- notify the DVLA that they have sold or disposed of the vehicle.

If no action is taken, DVLA will take enforcement action.

2.7 Wider Government Objectives



Business Objectives 6, 7 & 8

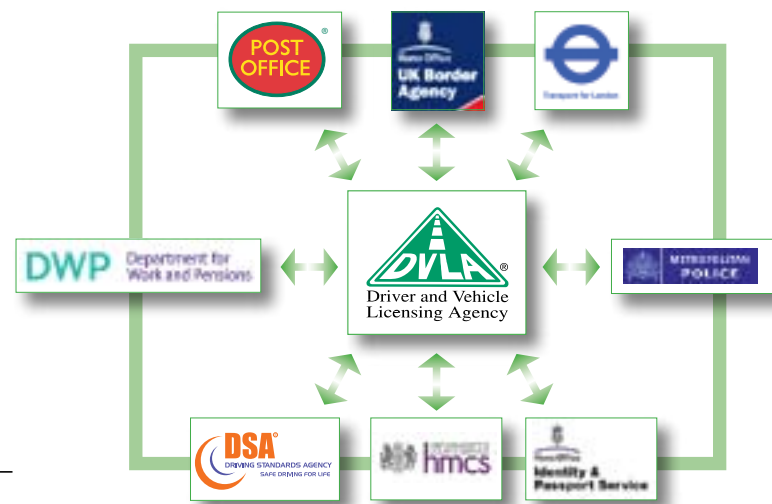
Cross-Government working

We will continue to work across boundaries with a range of organisations to decrease duplication of effort, leverage investment on existing assets and deliver far more for less impact on the public purse – specifically where these initiatives contribute to our core purpose. These organisations already include:

- The Post Office® – acting increasingly as an intermediary on our behalf for driver transactions and providing us with electronic data (not paper).
- The Police in delivering crime reduction initiatives, but also supporting them through 24/7 location independent access to vehicle and driver databases.
- Local Authorities in the removal of abandoned and nuisance vehicles.
- Transport for London in enforcement of its Congestion Charging scheme and with other cities if they introduce similar schemes.
- Identity and Passport Service (IPS) to provide us with ID confirmation and photographs as part of our online driver transactions.
- United Kingdom Border Agency (UKBA) to:
 - provide us with the same interaction for foreign (non-EU) nationals that IPS do for British citizens before we issue them with driving licences.

- Department for Work and Pensions (DWP) to:
 - confirm the identity and details of new drivers when we set up new records on our systems. They will continue to provide proof of disability to us as part of VED transactions where drivers claim exemptions saving customers (and DWP) from having to claim, process and collect the previous paper certificates.
- Government Gateway to:
 - continue to provide web access authentication
 - support our chip/pin access pilot to allow enquiry access for Driver Licence Check (DLC) services
 - implement increased credit card payment security across Government, based on DVLA initial implementation of new payment processes.

The Agency has established good relations with EU partners in the implementation of directives and is working with other registration and licensing authorities across Europe to tackle **cross-border** issues.



During the year we plan to work with:

- Driving Standards Agency to develop a new database of European lorry, bus and coach drivers who apply for a Driver Qualification Card. DVLA are leading on the development of an in-house technical solution, which will introduce new business processes to satisfy European legislative requirements.
- Her Majesty's Courts Services (HMCS) to introduce secure access to DVLA systems, improving HMCS processes and the accuracy of endorsement and disqualification data to a whole range of relevant organisations.
- DWP for a number of additional interactions:
 - A link into CISx to improve the success rates of driver transactions that currently fail the identity validation check in the Driver Licensing Online (DLO) process. This will be used through consent to help check the customers' identity with DWP (to increase the success rate of the transactions) and potentially later for automated updates to details such as address when notified through 'Tell Us Once'.
- The Tell Us Once notifications of bereavements (as recommended in the Varney Report) to reduce the burden on customers at a stressful time.
- A range of organisations (initially Central Government) to develop, deliver and deploy the electronic driver entitlement services – before we give the information to private sector organisations, subject to individual consent and delivery of the DLC secure processes.
- Other organisations across Government in leading the procurement of Merchant Acquirer services on a pan-Government basis, DVLA currently accounts for 90% of such payments but will work with Government Banking Service (GBS) to ensure similar terms are available to other Central Government organisations (such as DWP and Her Majesty's Revenue & Customs).



Pilot Study

Common Address Definition – we will examine desirability and Agency capability to adopt the same definition of address as Department for Work and Pensions (DWP), Her Majesty's Revenue & Customs and Identity and Passport Service (IPS). This has been agreed as a principle by the Information Management Strategic & Policy Group and Safeguarding Identity Strategy Group as the policy across Government, (subject to definitional agreement with Local Government and implementation roadmap approval.) This would increase our ability to comply with Data Protection Act and utilise the 'Tell Us Once' initiative.

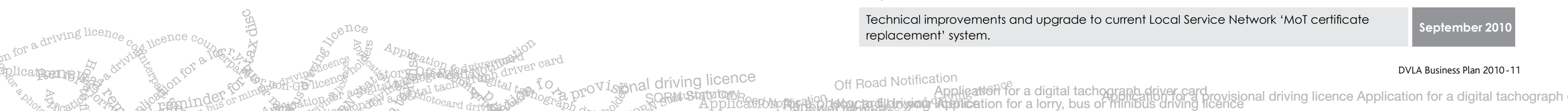
3.4 Programme Management



We are adopting a new structure to account for individual projects and grouping these into Programmes that reflect their business impact. This will ensure that transition from project stage into operations is effective and maximises the benefits. There will be a staged management of portfolios of projects grouped into Feasibility, Delivery and Operational Change stages with a major portfolio of Infrastructure and Technical Refresh projects to address the underlying platform and its security. The key projects are summarised below.

DVLA Change Programme 2010-11	
Product Improvements	Milestone date
Payment Card Data Security Standards	
To ensure that the Agency's systems are compliant with the Payment Card Industry Data Security Standards (PCI-DSS) as mandated by the Payment Card Industry Council (MasterCard/Visa).	March 2011
EU 3rd Directive	
A feasibility study that will assess the impact of the European Union 3rd Directive on driving licences, develop options to meet the requirements of the Directive and identify a preferred option that balances customer service, cost and ease of implementation.	March 2011
Driver Licence Check Support	
A feasibility study to produce an outline business case which will define options to introduce Chip and PIN to provide adequate security for Driver Register enquiries – delivering significant revenue generating transactions and reduction of effort for businesses seeking to comply with legislation. Proof of concept for cross-Government credentials strategy and ATPS.	March 2011
Continuous Insurance Enforcement	
Publicity campaigns. Implementation of CIE (Enforcement Release) (see 2.5).	March 2011
ECWTA/CO2	
To develop changes to current processes to support the introduction of the Individual Approval Scheme which replaces the Single Vehicle Approval (N1 & M1 vehicles) from 29 April 2009, and expansion to further vehicle types over the next five years.	2010-11
Certificate of Professional Competence (Phase2)	
Deliver significant enhancements to the existing CPC systems that support Driving Standards Agency training regulations.	August 2010
Budget Changes (2008) Phase 3	
Delivery of the final set of Budget changes introduced, for implementation in April 2010 (see 2.6).	April 2010
Northern Ireland Vehicle Information System (NIVIS)*	
Conduct a feasibility study to identify and define options to relocate Northern Ireland vehicles register systems to Swansea and live running of the re-platformed systems, a precursor to providing online services for NI vehicle keepers.	March 2010
Government Banking Services	
Mandatory transition from OPG bank accounts from OPG to GBS – live running from April 2010, providing full cross-Government readiness confirmed.	April 2010


DVLA Change Programme 2010-11	
Internal Efficiency & Accuracy	Milestone date
DLO Enhancement and Capability Review (DECR)	
To increase the first time success of the range of online Driver transactions already introduced, reducing 2-stage applications, enquiries and paper transactions.	September 2010
Automated Casework	
Conduct a Feasibility Study to identify the benefits of utilising the Oracle Business Process Manager (OPBM) software along with improved business processes for casework in the Drivers Medical area. The study will also project the derived costs/benefits across Drivers Medical casework and DVLA operational processes in order to inform the investment decision for a subsequent delivery project.	April 2010
Facial Recognition	
A feasibility study to examine, and if appropriate, take forward the use of facial recognition software to automate photo authentication within the drivers business, speed the process and remove duplicate records from the Register.	May 2010
Driving Licence Renewal web channel	
A feasibility study to develop and define options for an online channel, which will allow transactions requiring a new photograph (obtainable from IPS or UKBA) to be undertaken online.	May 2010
NI Electronic Services	
Identify options for delivering electronic vehicle services (EVL and full bar coding application to the Post Office*) to Northern Ireland. This builds on the NIVIS relocation (see above*) and the preferred option will be taken forward in year.	2010-11
E Services Phase 2	
A feasibility study to develop options for an online service for the renewal of Drivers' Medical short period driving licences. The options will investigate automating data capture on complex customer facing transactions to minimise manual transaction handling and casework (see 2.3).	2010-11
Information Capture Data Archiving+	
Decrease the cost of data capture by centralising and streamlining scanning and increase the percentage that is OCR and ICR processed.	2010-11
Project & Programme Management Tool	
The Agency will implement a software tool within the PPM community that aims to improve project and programme management processes, reducing administrative costs and making management information more effective.	October 2010
CISx	
Increase the number of Drivers First Applications that can go through the single stage route by using DWP's CISx system to authenticate identity. Through collection of the National Insurance number from customer or CISx, provide a conduit for 'Tell Us Once' notifications – bereavement, and address changes as signalled in smarter Government (see 2.7) but also changes of name if pursued in the future.	October 2010
Ten Year Renewals 2	
Commence new service at the Post Office® counters (see 2.5). Extend the service to 750 Post Offices®.	April 2010 September 2010
MOT	
Technical improvements and upgrade to current Local Service Network 'MoT certificate replacement' system.	September 2010



DVLA Change Programme 2010-11

ICT Maintenance	Milestone date
Weblogic Upgrade	
Ensuring that the Weblogic product set (i.e. Weblogic portal (WLP), Weblogic Integration (WLI), and Weblogic Server Platforms) will be using supported components going forward.	2010-11
Technical Refresh	
Rolling programme ensuring the hardware, software and applications remain security compliant and within technical support.	2010-11
VSS Stack Refresh	
A large-scale technical refresh to support main vehicles system software.	2010-11
CASP Stack Refresh	
Large scale hardware and software technical refresh and upgrade to internal casework system.	2010-11
Security (portfolio)	
Security enhancements and fixes to known or discovered security issues and risks (i.e. security software upgrades; new security related installations) (see 2.2).	2010-11
Service Improvement Portfolio	
Technical enhancements (i.e. single points of failure removal, new improved scanning solutions).	2010-11
Desktop Upgrade (inc Electronic Point of Sale)	
Upgrade and replacement of all DVLA out of support desktops and Local Services Network Point of Sale system (inc. peripherals).	2010-11
Migration out of Salford	
Removal of remaining web services from Fujitsu's Salford Data Centre.	2010-11
Data centres	
Migration of services from over subscribed and ageing Swansea data centres to new purpose built facilities.	November 2010
Test Environment 3	
Complete the delivery of new test environments to support Vehicles Programme. The first application will be for Continuous Insurance Enforcement testing.	2010-11
Technical Vulnerability Reduction	
Delivering a revised network and application architecture to improve technical security controls– including migration of key web services to the new architecture.	2010-11
Identity and Access Management	
Process and technical security based upgrades.	December 2010
Migration of print	
Migration of the remaining documents composed by Fujitsu on the mainframe to OSGs in-house, IPW system.	2010-11

3.5 Financial Management (see also Annex A)



Business Objective



Target

Deliver financial performance agreed with DfT to at least balance income against expenditure in the 2010-11 year end accounts

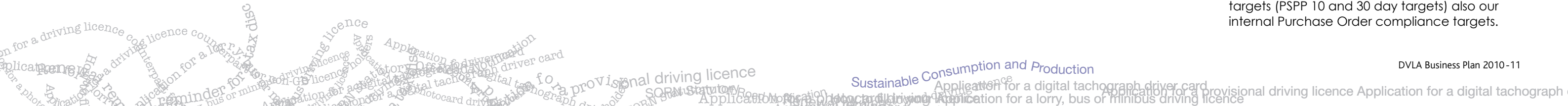


The public sector faces major challenges in the coming years in terms of cost pressures and DVLA will have to deliver far more with much less. The financial management required will have to be of high quality to deliver the control needed, given the scale of change of operations required alongside a period of continuing uncertainty of volumes and funding. DVLA already achieves high benchmark figures, compared to both public and private sector comparators in its ability in this area. However, we need to do even better.

During the year we will continue to:

- Manage our financial resources robustly, ensuring we deliver against processing and efficiency targets breaking even at the bottom line.
- Seek Parliamentary approval for the levels to match operating costs.

- Explore our fee structures with an objective of increasing fairness of charging and stability of load. Inclusion of new fees where warranted by new legislative requirements in line with Treasury guidance.
- Introduce a new business modelling capability to forecast productivity improvements and operating costs. To be integrated into more widely available business planning software.
- Work closer with other areas of the business to embed better planning and business case decisions throughout our operations increasing control but also ability to deliver.
- Work closely with DfT to ensure we support their process reviews and streamline common processes wherever possible.
- Deliver our Trading Fund responsibilities of longer-term breakeven, *Safeguarding Public Money* requirements and *Return on Capital Employed* target (ROCE).
- Deliver our Public Sector Prompt Payment targets (PSPP 10 and 30 day targets) also our internal Purchase Order compliance targets.



Annex A: Continued

Balance Sheet

	Forecast Outturn 2009-10 £ million	Business Plan 2010-11 £ million
Non-current assets		
Property, plant and equipment	96.3	90.9
Intangible assets	80.9	92.0
Trade and other receivables due after more than one year	3.8	3.8
	181.0	186.7
Current assets		
Trade and other receivables	56.3	59.8
Cash and cash equivalents	67.6	55.9
	123.9	115.7
Total Assets	304.9	302.4
Current Liabilities		
	(74.1)	(70.6)
Non-current assets plus/less net current assets/liabilities	230.8	231.8
Non-current liabilities	(49.9)	(45.6)
Assets less liabilities	180.9	186.2
Financed by: Taxpayers' equity		
General Fund	102.2	103.9
Revaluation Reserve	25.8	25.8
Government Grant Reserve	33.8	37.4
Public Dividend Capital	19.1	19.1
	180.9	186.2

Annex A: Continued

Cash flow

Cash Flow Statement	Forecast Outturn 2009-10 £ million	Business Plan 2010-11 £ million
Cash flows from operating activities		
Retained surplus for the year	26.1	1.7
Adjustments for:		
Loss on disposal, depreciation, amortisation & impairment	24.6	24.2
Government Grant release	(6.8)	(7.3)
Net finance cost	1.6	1.5
Decrease/(Increase) in trade and other receivables	2.5	(3.5)
(Decrease) in trade payables	(3.1)	(5.4)
Use of provisions	(1.9)	(2.4)
Net cash inflow from operating activities	43.0	8.8
Cash flows from investing activities		
Purchase of property, plant and equipment	(19.0)	(6.8)
Purchase of intangible assets	(10.5)	(23.2)
Interest received	0.3	0.4
Net cash outflow from investing activities	(29.2)	(29.6)
Cash flows from financing activities		
Government grant received in year	14.3	11.0
Interest payable on Finance	(1.9)	(1.9)
Net cash used in financing activities	12.4	9.1
Net increase/(decrease) in cash and cash equivalents in the period	26.2	(11.7)
Cash and cash equivalents at the beginning of the period	41.4	67.6
Cash and cash equivalents at the end of the period	67.6	55.9

Annex B: Programme and Project Investment Plan

Category	2010-11 £'million
Product Improvements	
Payment Card Data Security Standards	15.9
EU 3rd Directive	1.4
Driver Licence Check Support	3.3
Continuous Insurance Enforcement	12.0
ECWTA/CO2	1.0
Certificate of Professional Competence (Phase 2)	0.2
Budget Changes (2008) Phase 3	0.1
Northern Ireland Vehicle Information System	0.4
Government Banking Services	0.1
New Initiatives	2.3
Internal Efficiency & Accuracy	
DLO Enhancement and Capability Review	0.4
Facial Recognition (Formally Facial Recognition & Image Standards)	0.9
Driving Licence Renewal web channel	2.7
Northern Ireland Electronic Services	0.6
E Services Phase 2	0.7
Information Capture Data Archiving+	4.0
Project & Programme Management Tool	1.0
CISx	3.0
Ten Year Renewals 2	0.9
MOT	0.6
Email system rollout	0.6
Information Communication Technology (ICT) Maintenance	
Weblogic Upgrade	6.0
Technical Refresh	5.8
VSS Stack Refresh	3.5
CASP Stack Refresh	4.0
Security (Portfolio)	1.9
Service Improvement Portfolio	0.6
Desktop Upgrade (inc Electronic Point of Sale)	2.5
Migration out of Salford	1.4
Data Centres	1.6
Test Environment 3	0.6
Technical Vulnerability Reduction	5.7
Identity and Access Management	1.0
Total Project Investment	86.7
Income and Expenditure	67.9
Capital	18.8
Total	86.7

Annex C: Workforce

The Agency will continue to seek workforce efficiencies through further streamlining the way services are delivered to customers. Carrying on a trend established over the past decade.

Will will keep an eye on fluctuating customer demand and our ability to meet service standards. Running with a number of casual appointed staff helps us do this without being locked in to an expensive over-commitment.

For the behind the scenes teams that provide the framework for the Agency, two factors will offset each other. Early steps in our contribution towards public service wide initiatives such as operational efficiency and next generation human resources will see reductions.

Meanwhile value for money moves to replace some longer-term contractors with tied in permanent civil service appointments will continue.

Full Time Equivalents (FTEs)	31/03/2009	31/03/2010	31/03/2011
Baseline Business as Usual	5,660	5,580	5,450
New Initiatives	30	100	130
Combined Core DVLA	5,690	5,680	5,580

Annex D: Volume Forecasts

Manual Transactions	2009 -10 Expected Outturn	2010 -11 Forecast
First Registration of Vehicles	311,000	304,000
Vehicle Licensing	24,520,000	26,362,000
SORN	1,212,000	1,811,000
Changes to a Registration Document	16,738,000	16,792,000
Refunds	3,081,000	3,164,000
Duplicate Registration Document	1,052,000	1,082,000
Duplicate Vehicle Licence	217,000	224,000
Vehicle Fee Paying Enquiries	238,000	305,000
Cherished Transfer/Assigned Marks	468,000	417,000
Vehicle Transaction Totals	47,837,000	50,461,000
First Application for Driving Licence	837,000	853,000
Renewal of Driving Licence	1,337,000	1,200,000
Exchange of Driving Licence	210,000	274,000
Duplicate Driving Licence	763,000	730,000
Replacement Driving Licence	2,501,000	2,742,000
Vocational Driving Licence	197,000	228,000
Medical Renewal of Driving Licence	287,000	265,000
Digital Tachograph Card Issue	148,000	140,000
Ten Year Renewals (TYR)	1,491,000	2,270,000
Driver Transaction Totals	7,771,000	8,702,000
Vehicle Police Enquiries	739,000	731,000
Vehicle Customer Enquiries	7,131,000	7,195,000
Other Vehicle Transactions	115,000	151,000
Driver Customer Enquiries	4,555,000	5,310,000
Other Driver Transactions	2,597,000	2,801,000
Other Transaction Totals	15,137,000	16,188,000
Grand Total	70,745,000	75,351,000

Annex D: Continued

Electronic Transactions	2009 -10 Expected Outturn	2010 -11 Forecast
First Registration of Vehicles	2,095,000	1,867,000
Vehicle Licensing	18,167,000	17,800,000
SORN	2,605,000	2,457,000
Duplicate Registration Document	273,000	269,000
Duplicate Vehicle Licence	126,000	122,000
Vehicle Fee Paying Enquiries	1,762,000	1,504,000
Vehicle Transaction Totals	25,028,000	24,019,000
First Application for Driving Licence	230,000	258,000
Renewal of Driving Licence	111,000	274,000
Exchange of Driving Licence	757,000	747,000
Duplicate Driving Licence	378,000	439,000
Replacement Driving Licence	389,000	441,000
Vocational Driving Licence	40,000	46,000
Driver Transaction Totals	1,905,000	2,205,000
Other Vehicle Transactions	9,516,000	10,106,000
Other Driver Transactions	2,069,000	2,206,000
Other Transaction Totals	11,585,000	12,312,000
Grand Total	38,518,000	38,536,000

Note: Electronic transactions include customer to agency (e.g. Driver Licensing Online) and business to agency (e.g. Automatic Driving Licence Issue).

Annex E: Key Business Risks

	Risk	Key Mitigating Actions
Accuracy	Lack of clarity in data sharing may not be resolved quickly and this could slow our ability to withdraw from work already undertaken by other Government organisations, especially in respect of basic identity data. This would have a negative impact on our ability to improve accuracy and decrease costs.	Work with Department of Work and Pensions, Her Majesty's Revenue and Customs and Identity and Passport Service as required by Safeguarding Identity, to reach agreed definitions and processes – backed by a clear legal position (in collaboration with the Ministry of Justice).
	Lack of ability to make small legislative changes that will allow us to change and improve our processes in an electronic context.	Work with DfT and Ministers to free up the constraints we face due to literal interpretation of legislation framed in a paper-based era.
	Suffer a potential breach in security which would involve a refocusing of efforts and change to any immediate shortfall.	Maintain our focus on data security and ensure our controls remain in place and well observed by staff. Continue with the technical security initiatives within our infrastructure programme.
Customer Service and Satisfaction	Potential disruption to our IS services and infrastructure.	Work with IBM/Fujitsu to anticipate difficulties. Carefully plan, test and implement systems changes. React promptly and jointly to issues.
	Potential disruption to our staff availability through, for example pandemic illness or employment disputes.	Plan for and manage through minor disruptions, with business continuity plans developed for any major episodes. Work with the Trade Union Side and retain good working relations.
	Reduction in capacity due to unplanned and more stringent financial constraints	Agree operating budgets – and SLA funding agreements to allow activity and investment to plan. Scale if needed.
	Significant volume variations that are not anticipated.	Initial realistic forecasts to be adopted in the Business Plan (BP). Close and ongoing monitoring. Close Executive Board (EB) involvement and rapid reaction to changes.
	Major changes in service that may not be adequately controlled through into the business.	Use of the Business Change Manager team set up to plan, test and monitor changes as implemented. Feedback loops and flexibility.
Improved efficiency and capability	Delays in delivery of initiatives, legislation or projects that we depend on to provide the changes required.	Plan and manage closely. Use of the Programme dependency management. Flex delivery when needed, but manage stakeholders, especially those on whom we depend for delivery.
	A slowdown in economic recovery that could significantly affect our fee-paying transaction volumes.	Initial realistic forecasts to be adopted in the BP. Close and ongoing monitoring. Close EB involvement and rapid reaction to changes.
	Unanticipated decline in compliance, which could effect transaction numbers and require additional enforcement actions/expenditure.	Monitor compliance levels closely and react to geographic or sectoral variations.
Compliance with the law	A possible reduction in public consensus on compliance and perceptions of DVLA willingness to enforce.	If necessary, seek additional enforcement powers in new areas. Maintain public profile and emphasise the improving compliance levels and opportunities they provide for us to focus on the non-compliant.

Annex F: Sustainable Development 2010-11

DVLA's vision and strategy are well aligned with the UK Sustainable Development strategy. In delivering our vision, we will support the economy and the environment by reducing the costs and the resources we consume and contribute to society by tackling areas of crime and ensuring our services are accessible to all.

As part of the Department for Transport (DfT), DVLA has two distinct approaches to SD.

1. As an administrative centre for the department, we look at how we operate as a business, our impact on the environment, the communities in which our offices are located and the way we look after our staff.
2. Contributing to the shaping of and consequential delivery of transport policy, we look at the wider societal and environmental impacts of our products and services.

The last two year's focus on SD as a separate management and reporting activity has focussed on raising awareness of the key issues and embedding SD thinking into our processes and structure. We have therefore taken the decision to embed our Sustainable Development Action Plan into this year's Business Plan. We believe that our short and long term plans are produced in a way that properly considers sustainability and that a separate document actually inhibits the understanding of SD as an integral part of planning and management. It also ties in well with our reporting against sustainable performance in last years Annual Report and Accounts.

We have identified that there are risks to this approach and will ensure that we have effective monitoring processes in place reporting both internally and externally, managed by the SD team.

The body of the plan includes some specific references to actions being taken forward next year, which are clearly linked to the sustainability of our own operations e.g.

- reduce our energy consumption to meet the 2010-11 SOGE energy target
- review our use of combined heat and power to identify the carbon savings from improved energy efficiency
- complete the roll out of the Environmental Management System (EMS) to the rest of our local offices.

The plan also includes references to other initiatives where the link may be less clear. For example, CIE is being introduced to not only improve road safety by taking uninsured drivers off the road, but also reduce premiums for people who are compliant. In addition, we are pursuing good governance by involving customers in redesigning our forms and products.

The rest of this Annex shows our targets and plans for this year, together with an overview of our performance last year and specific SD governance. Our longer term SD vision and strategy will be set out in our Strategic Agenda.

Annex F: Continued

Action Plan

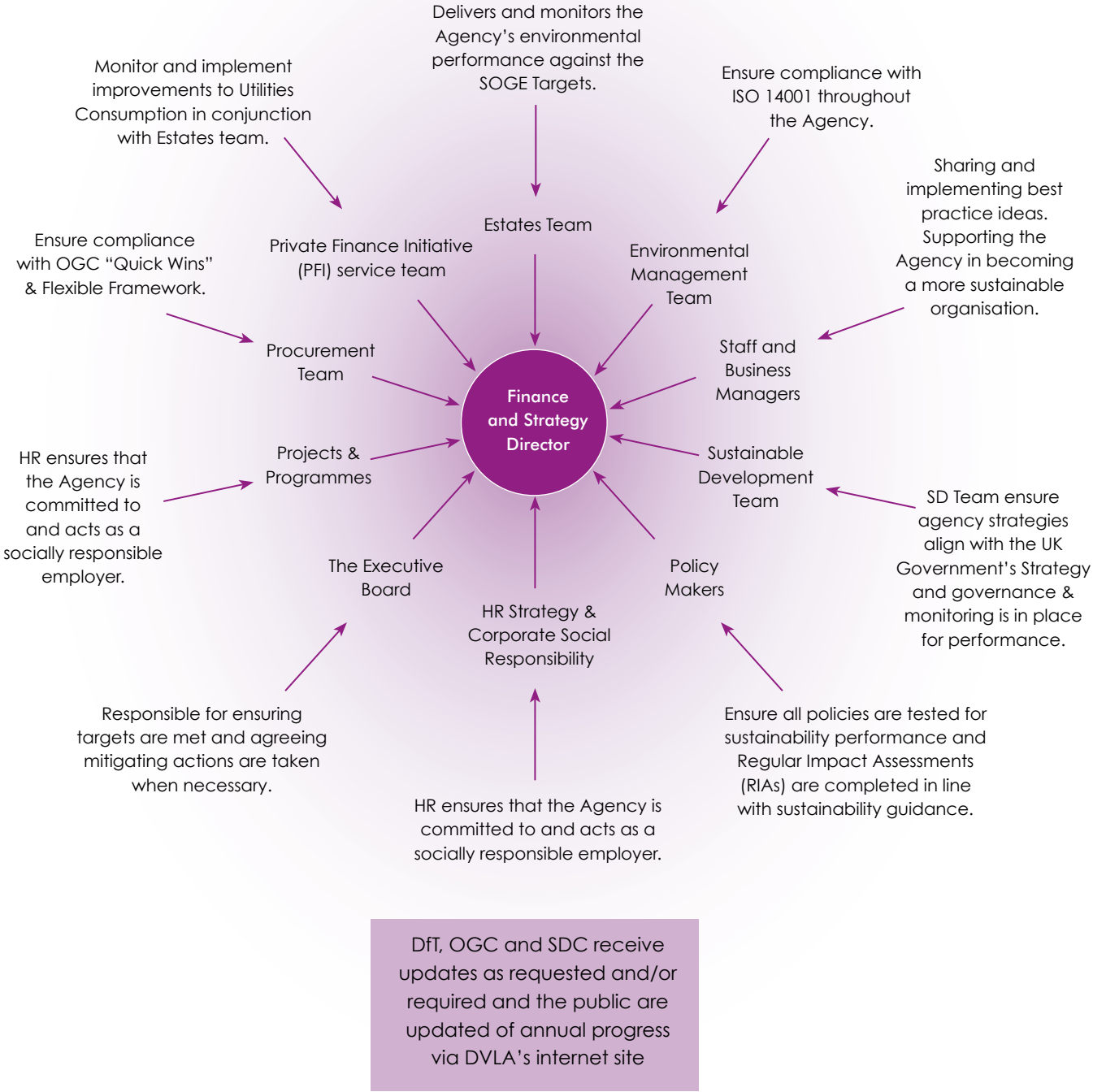
Each action set has been given a rating of between 1- 4 based on how we think its outcome contributes toward the four SD priority areas (see 1.2).

Rating	Contribution of action to one or more of the SD priority areas
1	Zero or small contribution
2	Fair contribution
3	Good contribution
4	Outstanding contribution

Page	Action	Outcome	Impact	Risk	Target
Efficiency and Capability					
25	Deliver 98% of Environmental Management System 2010-11 listed actions.	DVLA will meet its environmentally based SOGE targets and reduce our impact on the environment.	2	Priority given to other concerns and targets in precedence over environmental ones may cause us to miss this target, threaten our accreditation of ISO 14001, cause reputational damage and potentially increase our financial burden under Carbon Reduced Commitment.	Mar 2011
26	Provide more detailed reporting on Official Business Travel to the Executive Board.	Reduced carbon emissions from road travel in line with the 2010-11 SOGE target.	3	Lack of information being available at senior management level could cause us to miss the carbon emission from road travel target.	Mar 2011
Staff Capability					
40	Establish a set of social sustainability indicators	These indicators will help us monitor, maintain and/ or improve our Corporate Social Responsibility performance.	3	Lack of dedicated resources within HR may mean that we are unable to produce these indicators, which may delay our ability to provide robust information for future national reporting requirements and hinder progress in the CSR arena.	Mar 2011
Procurement and Contracts					
41	Achieve level 4 of the flexible framework criteria for the remaining 4 out of 5 Office of Government Commerce categories	All Procurement activities are delivered, where appropriate and reasonable in a sustainable way.	3	Priority given to other concerns and targets in precedence over SD in procurement activities and lack of support from our Stakeholders in driving forward sustainable procurement may threaten our achievement of this Government set target and cause damage to our reputation.	Mar 2011

Annex F: Continued

SD Governance



Annex F: Continued

Environmental Targets

Greenhouse Gas Emissions			2008-09	2009-10	Target 2010-11
Non-Financial Indicators (tco ₂ e)	Gross emissions from all buildings		17,154	17,250	16,900
	Gross emissions attributable to official business travel by road		873	681	681
Financial Indicators (£k)	CRC Gross Expenditure (2010 onwards)		N/A	N/A	N/A
	Expenditure on accredited offsets (e.g. Government Carbon Offsetting Fund)		N/A	N/A	N/A
	Expenditure on official business travel by road		N/A	N/A	







Waste			2008-09	2009-10	Target 2010-11
Non-financial indicator (t)	Total waste	Landfill	2167 tonnes	1670 tonnes	Reduce waste arising by 5% by 2010, relative to 2004/05 levels 2508 tonnes
		Reused/ Recycled	1510 tonnes 70%	1170 tonnes 70%	To recycle 40% of our waste arising by 2010
		Incinerated/ energy from waste	0	0	0
Financial Indicators (£k)	Waste Revenue Receipt		39,724	N/A	

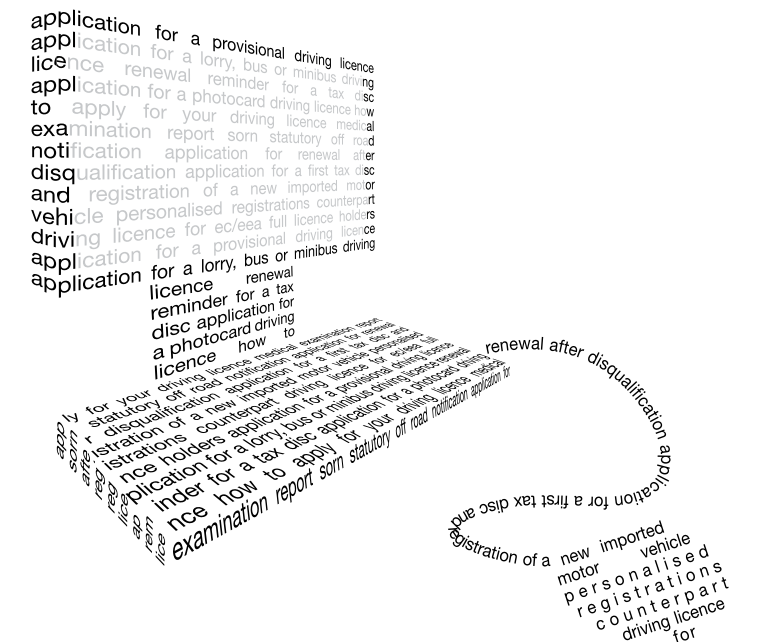
Finite Resource Consumption – Water			2008-09	2009-10	Target 2010-11
Non-Financial Indicators	Water Consumption (M³)	Supplied	60,070	53,522	52,800
		Harvested	204	648	700
Financial Indicators (£k)	Water & Sewerage Costs		£80,282 (Water) £105,660 (Sew)	£70,783 (Water) £95,593 (Sew)	

Commentary: Rainwater Harvested data taken from Schneider Electric Energy Remote Monitoring system.

Finite Resource Consumption – Energy			2008-09	2009-10	Target 2010-11
Non-Financial Indicators	Energy Consumption (KWh)	Electricity: Non Green	7,588,848	7,814,610	7,000,000
		Electricity: Green	12,748,946	14,111,728	13,500,000
		Gas	33,388,075	29,459,526	35,000,000
		LPG	N/A	N/A	N/A
		Oil	508,436	120,142	130,000
Financial Indicators (£k)	Total Energy Expenditure		£2,149,658 (elec) £828,665 (gas)	£2,477,860 (elec) £702,914 (gas)	

Annex G: DVLA Governance and Responsibilities

 Chief Executive Noel Shanahan	Non Executives Jim Knox Mike Brooks			
 Chief Operating Officer Simon Tse	 Chief Information Officer Paul Evans	 Finance and Strategy Director Ieuan Griffiths	 HR and Estates Director Judith Smith	 Policy & External Communications David L Evans
Accuracy Ian Broom	Head of Programme Project Management Janet Williams	Head of Corporate Financial Services & DVLA Financial Controller Rachael Cunningham	Estates & HR Corporate Services Kevin Rees	Head of Policy Development & Prioritisation Hugh Evans
Central Operations (Interim) Ian Broom	Head of Technical Authority Richard Hixson	Corporate Management Services & DVLA SD Champion Ashley Crompton	Health and Well Being, Attendance Management Linda Davies	Head of Drivers Policy Yvonne James
Local Services Network David Marshalsay	Strategy and Feasibility Manager Vacant	Procurement Post Vacant	HR Operations Louise White	Head of Vehicles Policy Lianne Parkinson
Enforcement David Hancock	Infrastructure and Technical Refresh Dave Powlson	Corporate Assurance Services Teri Morgan	HR Support and Development Eddie March	Head of Drivers Medical Policy Derek Bastin
Product and Services Andrew Rhodes	Delivery Programme Manager Leigh Allen			Head of Legal Rosamund Cleal
Contact Centre Carole Evans	Head of Information Assurance Group David Pope			Head of External Communications Chris Croad
Business Change Victoria Ford				Head of Data Sharing and Protection Paul Jeffreys
				Head of Policy Change Programme Lynette Rose
				Head of Crime and Compliance Policy Rob Toft



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