



Attendees: Paul Coombs (Chair), Andy White, Paul Satoor, Alex Fiddes, Heather Cruickshank, Paul Smith (NED), Jane May (NED), Peter Hearn (from item 9)
Guests: Jo Warden (Item 1,2 & 4), David Treder (item 4) and Paul Sizer (item 7)
Apologies: Alastair Peoples (after introductions),
Secretary: Tom Middleton

0. Introductions

0.1 No declarations of conflict of interest were declared for this meeting. No items of any other business were tabled. The Board were informed by the Chief Executive of the future plans for the Agency resulting from the Motoring Service Strategy and a new structure will be discussed at the next meeting; he then gave his apologies as he was unable to stay for the remainder of the meeting.

1. Annual Report & Accounts

- 1.1 The Audit & Risk Committee considered the Annual Report & Accounts earlier in the day and recommended sign off following two accounting adjustments being made and the external auditors providing positive feedback.
- 1.2 The Board were informed that the Department have drafted a form of wording on the imminent changes from the Motoring Services strategy that may need including after the announcement but this would not change the accounts.
- 1.3 The Board asked that the foreword in the annual report be changed to non-VOSA testing and % results, to use consistent terminology.
- 1.4 The Board discussed the Management Assurance section and were content with the wording for the records management section. However, as the project has recently been put on hold as a result of the priority of other work the impact of the decision is to be discussed at the next A&RC. The Directors were told that an assessment should be made if any other changes could impact on their Management Assurance statement and highlighted to the A&RC.
- 1.5 Subject to the wording in the foreword being changed, the Board were content with the Annual Report & Accounts and recommend the Accounting Officer sign the Letter of Representation and the Finance Team was thanked for their work in producing the accounts.

ACTION	Andy White	24 Sept
DB13/06/01	To inform the A&RC that the Records Management project has been put on hold so the impact on the Management Assurance statement can be discussed	

2. Key Business Risk Report (KBRR)

- 2.1 The KBRR was presented to the Board. The following risks were discussed:
- 2.2 KBR64: Delay to Implementation of VOSA Business Changes to Deliver the ATF Strategy– The Board agreed the risk is to be reported to DfT. The Board were informed that last month the score had been adjusted in the Department when it was then reported on the Road, Transport & Logistics Risk Register. The Board felt that if this happens in future it should be made clear that the risk had been re-assessed.
- 2.3 KBR63: IT Strategy Implementation – As a spotlight session was being held later on the agenda the Board deferred the discussion on the risk.
- 2.4 KBR32: Budget Plan & Economic downturn – The Board agreed to reduce the current residual and forecast tolerance likelihood to medium due to the controls that have been put in place.



- 2.5 CRR09: Data Quality – The Board agreed with the changes to adjust both current residual and forecast tolerance to a medium impact and low likelihood and were content that there won't be any more mitigating actions until the IT systems have been modernised, which will build in as much integrity as possible.
- 2.6 KBR66: Addressing TSC recommendation – The Board did not agree that the wording accurately described the risk and asked for it to be reviewed again.

ACTION	Peter Hearn	2 Jul
DB13/06/02	To ensure the Risk Manager works with PC & HC to review KBR66: TSC Recommendations	

- 2.7 The Board noted the pre-bubbling risks mentioned in the paper and were informed that following an action at the last meeting, a review of the directorate registers had found a risk on the Ops register that could have a high impact on roadside enforcement, resulting from a policy change at the Highways Agency. The risk is being investigated and will be raised if appropriate.
- 2.8 The Board were informed that the department were introducing another new risk policy, with changes to the scoring of risks based on the residual score. The Board agreed that any score set above the agreed threshold should be reported to DfT.
- 2.9 A new e-learning risk course has been launched which the Board agreed should be rolled out on a proportional basis.
- 2.10 KBR46 Shared Services – The Board agreed the risk does not need to be escalated to DfT this month, but if the residual score is above the threshold, when the new policy is implemented next month, it should be reported.

3. Target Operating Models, 5 Year Strategic View and 2013/14 Directorate Plan

- 3.1 A paper was presented seeking agreement to the high level direction of travel described by the pillar target operating models (TOMs) and the VOSA 5-year view.
- 3.2 In addition, agreement was sought for the 12-18 month plan which pulls together all current content from Directorate Plans, reflecting short to medium term priorities for the organisation. It is envisaged that this view forms a baseline against which all further changes are evaluated by the Investment and Change Board (ICB), as part of a continuous, flexible planning cycle.
- 3.3 The Board also commented that in addition to the planned strategies there is also a surprising amount of non-strategic change that gets mandated by the Department.
- 3.4 The NED's asked for assurances that the directorate plans are financed, risk assessed, sufficiently resourced and deliverable. They were informed that Directors had been challenged on this by the Chief Executive before they were completed.
- 3.5 Internal audit were asked to provide assurance that changes resulting from the de-prioritisations won't have an effect on the Management Assurance findings.
- 3.6 It was agreed that the Business Performance Board (BPB) will monitor directorate plan progress and a reporting process is required.
- 3.7 The Board requested that the KBRR is linked to the strategic TOM plans, (similar to the audit plan) and objectives from the plans should now flow down the grades within directorates.
- 3.8 The Board thanked the SPP team, pillar leads and directorate planning coordinators for their work in producing the plans.

Decision: The Board agree that subject to assurance being received:



- ❖ The high level pillar TOMs and 5-year view are representative of the overall strategic direction for the organisation to inform short to medium term and more detailed planning activity
- ❖ The content of 2013/14 Directorate Plans is a suitable baseline for future change decisions by ICB
- ❖ The principle of continuous planning is an appropriate approach to use to support ICB decision making.

ACTION	Paul Coombs	2 Jul
DB13/06/03	To ensure the HIA provides assurances that the changes resulting from the de-prioritisations won't have an effect on the Management Assurance findings.	

ACTION	Paul Sator	2 Jul
DB13/06/04	To ensure that the Head of SPP works with the Risk Manager to ensure the KBRR is linked to the strategic plans	

4. IT Modernisation Programme – Risk Spotlight

- 4.1 The Board discussed the risks to the delivery of the IT Modernisation Programme which is designed to ensure continuity of IT services and deliver significant IT costs savings whilst being a catalyst for business change when modernising the legacy line of business applications.
- 4.2 Since the risks were added to the KBRR, the programme has made progress with some approvals but the landscape is in constant flux, with changing approval processes, the withdrawal of planned procurement frameworks, the emerging cloud store services and a better understanding of how agile delivery projects need to be defined to gain investment appraisal approval. The results of this have changed the directions of the projects, since business cases were originally approved, as well as trying to continue to operate within the agreed spending approvals, to avoid further rounds of additional approvals.
- 4.3 The Board noted that there is more being done than is described in the risk which needed articulating to make the Department and senior officials aware of the impacts.
- 4.4 The Board agreed that to help raise awareness of the risks and the importance of the programme, a proactive plan is needed to influence key stakeholders and develop a wider 'influencer' network. A short exec summary for senior staff to use as a reference should also be produced.
- 4.5 It was also agreed to split the risk to show the differences between ensuring continuity of IT services and modernising the services to deliver significant IT costs savings.
- 4.6 The Directors all confirmed they will provide the support requested for the Programme, as listed in the paper and the governance of the Programme Board will be reviewed to ensure it has the right membership.
- 4.7 It was thought that producing a spotlight paper on the risks was a beneficial exercise in articulating the risks and the NEDs were asked to consider rotating the spotlights around the top four priorities to the Agency.

ACTION	Andy White	2 Jul
DB13/06/05	To split KBR63: IT Strategy into two risks to show the differences between ensuring continuity of IT services and modernising the services to deliver significant IT costs savings.	

ACTION	Andy White	2 Jul
DB13/06/06	To produce a proactive plan to influence key stakeholders and develop a wider 'influencer' network and include a short exec summary for senior staff to use as a reference	



5. Terms Of Reference – Management of Surplus GVTS Estate

- 5.1 Approval for a working group was submitted to the Board, following the previous meetings where a lack of clarity within the business was identified as to who owns the processes in ensuring a site is ready for disposal and for managing the process to alternative use or disposal following the ceasing of testing.
- 5.2 The proposed working group will involve key members from the business and lead by SMER, as they are responsible for ensuring an adequate testing and enforcement provision.
- 5.3 The Board were informed that under the closure document for the TTP programme, SMER decide which sites are put forward to the Board for ceasing testing. To assist with the decisions the Board felt that a small schemes strategy was needed, which aligns with the future plans in the pillar strategy.
- 5.4 The Board agreed that once a site has been identified as no longer needed for its current use the group will manage the process to either an alternative use or cease all work for Estates to sell, bringing forward proposals for the Directing Board to agree.
- 5.5 The Board requested that a revised TOR be brought back to the Board to reflect the Board's discussion.

ACTION	Alex Fiddes	2 Jul
DB13/06/07	To bring back a revised Testing Estate Management Group TOR	

ACTION	Peter Hearn	October
DB13/06/08	To provide a small schemes strategy paper which aligns with the pillar strategy	

6 Car User Mileage Rate

- 6.1 The Board were asked to endorse the continuation of the current mileage rates for a further six months until we have a clear implementation path for NGT and revised terms and conditions have been approved.
- 6.2 The decision to continue the payment of higher rates for a further 6 months was previously reviewed in January 2013, and in light of the potential changes being developed as part of NGT, the Board decided the payments should continue again for a further 6 months or until the new terms and conditions are implemented, whichever is the earliest.
- 6.3 The Board discussed the lease car trial which is currently halfway through. The Board were informed that the vehicles will have to be returned at the end of the trial and returned to the pool fleet.

Decision: The Board agreed the continuation of the current mileage for a further six months or the new terms and conditions are implemented, whichever is the earliest.

7 Update on Quality Assurance for Business Critical Models

- 7.1 An update was provided to the Board on progress regarding VOSA's compliance with the Mcpherson review findings on the Quality Assurance (QA) of business critical models.
- 7.2 The Board had concerns that not all of the business critical models had been identified in the paper so asked for a revised paper to be produced listing all of the business critical models, the criteria for assessing which were critical models, a QA process for assessing the tiers and the criteria used as well as identifying and assigning the role of the owners.

ACTION	Peter Hearn	3 Sept
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DB13/06/09 To bring back a revised paper on the QA for Business Critical Models which lists all of the business critical models, the criteria for assessing which were critical models, a QA process for assessing the tiers and the criteria used as well as identifying and assigning the role of the owners.

8 Board Update Reports

ICB Update

- 8.1 The Board noted the ICB update as presented; it stated Change Proposals (CPA) had been approved for the Shared Service Migration, MOT Customer Experience changes and the OLBS system upgrade.
- 8.2 In addition a CPA is needed for the GFPD changes and the CPA for Total Facilities Management was deferred until an impact assessment had been carried out on the effect on Operational staff.
- 8.3 The Board discussed the OJEU procurement processes, which provides a competitive element to the process and were also highlighted to the fact that the photocopier contract is due to expire shortly.
- 8.4 The Board were informed that no business cases had again been presented and the Board were asked to ensure there was not a backlog later in the year. It was also highlighted that the quality of the papers being presented were not of a high standard or supplied in a timely manner, so the Board agreed that Directors names should be added to the papers and they should approve the final submission.

BPB Update

- 8.5 The Board noted the BPB update as presented; of particular interest was the sickness target, which was marginally behind target after the first month. The Board felt that the BPB should concentrate more on the cases with the lowest levels of compliance with the process to help reduce the cases.
- 8.6 The Board were asked by the BPB whether the additional posts agreed for the HGV Road User Levy work should be added to increase the overall FTE headcount. It was decided that as the funding for the work is only currently for one year, the posts are temporary and will be subsumed into Ops. However, if funding continues next year then the posts will be added as part of the annual budget setting process.
- 8.7 The Board discussed the findings from the Weigh in Motion Sensors (WIMS) which had highlighted the equipment was not accurate enough to prosecute from, although were still useful in other ways such as speed, weighing and cabbotage offences. The Board agreed that the equipment will only be added to the highway at two of the four new HRTI sites and only in one direction, although there is an option to add at the other sites should the need arise from plans in the enforcement pillar.
- 8.8 The Board were also informed that the BPB had sanctioned a working group to look at developing a better balanced enforcement target for 2014/15 which looks more at the value of work rather than just the total of prohibitions issued.
- 8.9 The Board discussed the update which said permission had been given for some Operational areas to balance vacancy savings with overtime levels. The Board felt it needed to be clear that where there are vacancies it is allowable to exceed overtime levels but only if overall staffing budgets are not exceeded. The Board also made it clear that budgets should not be transferred between Ops and NGT but the variance in under/over spends needed to be understood by Ops and the Management accountants.

Directors Catch up Update

- 8.10 The Board noted the Directors Catch up report as presented and agreed the FTE savings to compensate for apprentices in the CIO will be found from the wider organisation.



A&RC Update

- 8.11 The Board were informed that the Annual Report from the Audit & Risk Committee will be circulated ex-committee.

ACTION	Tom Middleton	2 Jul
DB13/06/10	To circulate the A&RC Annual report to the DB	

9 AOB

- 9.1 There were no items this month.

10 Meeting Administration

- 10.1 The Board approved the Minutes of the 7 May Directing Board as an accurate record for publication.
- 10.2 The Directing Board Action Sheet was updated and is attached.
- 10.3 Board Agendas Forward Look – The next meeting is being held on 10 July 2013.