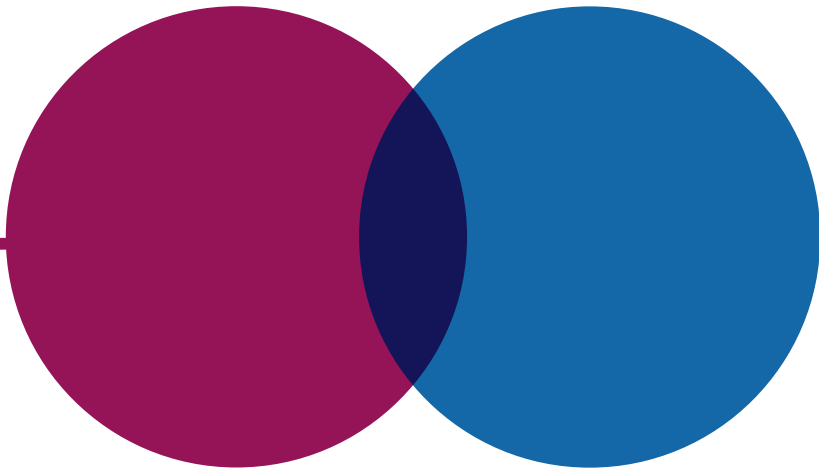




National Audit Office




REPORT

Investigation into the management of backlogs in driving licence applications

Department for Transport, Driver & Vehicle
Licensing Agency

SESSION 2022-23
4 NOVEMBER 2022
HC 851



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National Audit Office

Investigation into the management of backlogs in driving licence applications

**Department for Transport, Driver & Vehicle
Licensing Agency**

Report by the Comptroller and Auditor General

Ordered by the House of Commons
to be printed on 2 November 2022

This report has been prepared under Section 6 of the
National Audit Act 1983 for presentation to the House
of Commons in accordance with Section 9 of the Act

Gareth Davies
Comptroller and Auditor General
National Audit Office

28 October 2022

Investigations

We conduct investigations to establish the underlying facts in circumstances where concerns have been raised with us, or in response to intelligence that we have gathered through our wider work.

We undertook this investigation in response to concerns raised by members of Parliament about delays and backlogs in the Driver & Vehicle Licensing Agency's processing of driving licence applications.

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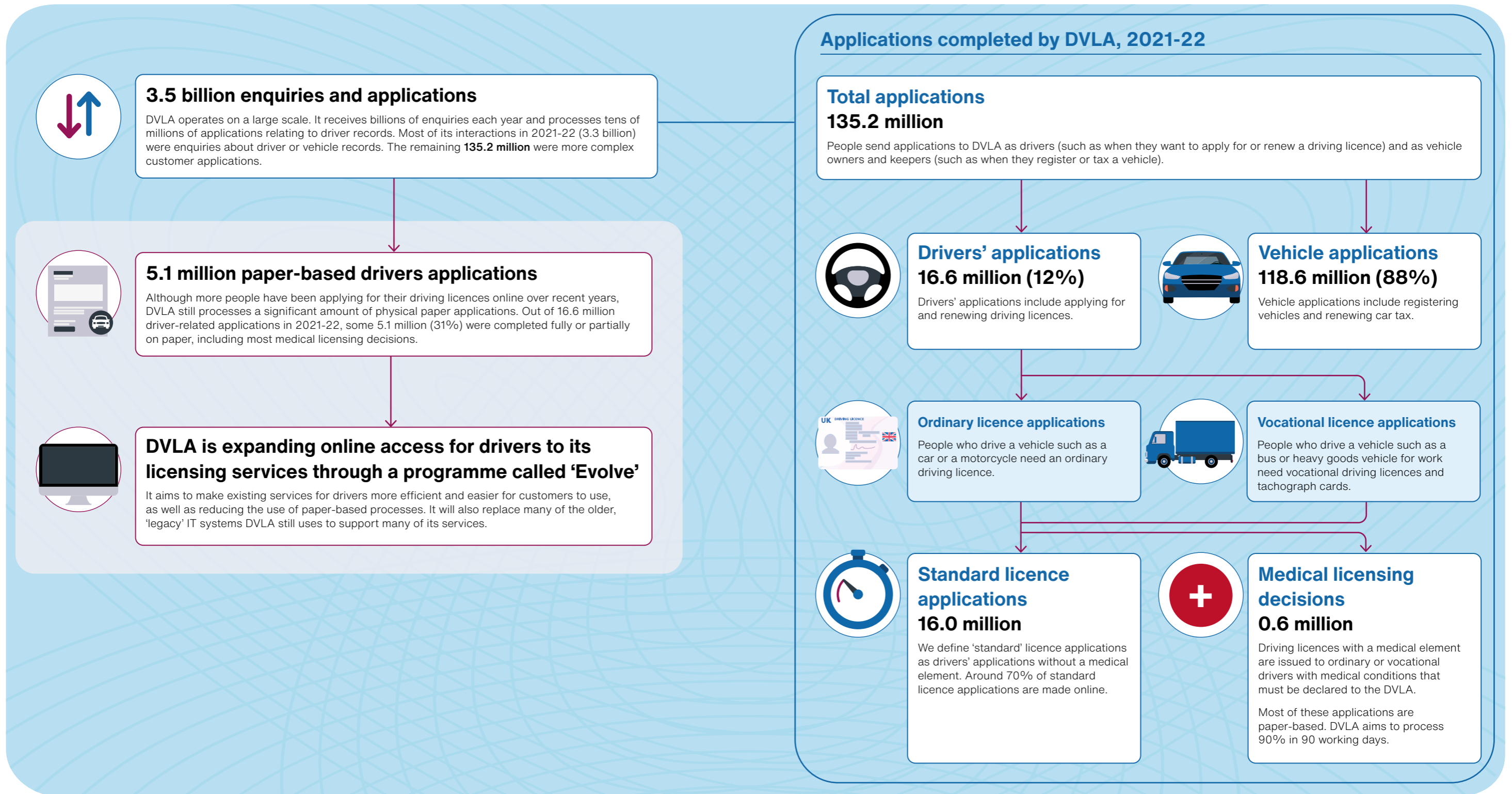
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Key information

Key information about driving licences and the Driver & Vehicle Licensing Agency (DVLA)



Summary

Introduction

1 The Driver & Vehicle Licensing Agency (DVLA), an executive agency of the Department for Transport, maintains around 50 million driver records in Great Britain and 40 million vehicle records in the UK. It also collects Vehicle Excise Duty (VED) on behalf of HM Treasury. It responded to 3.5 billion digital enquiries and customer applications in 2021-22. Of 135.2 million customer transactions DVLA completed in 2021-22, 16.6 million (12%) related to drivers, and 118.6 million (88%) related to vehicles.

2 People interact with DVLA about driving licences when they apply for their first licence, renew an existing licence, or when their circumstances change (**Figure 1** on pages 8 and 9). DVLA processes two main types of 'standard' licence, making up 96% of the 16.6 million driver-related transactions in 2021-22:

- ordinary driving licences – 15.3 million (92%) of driver-related transactions in 2021-22; and
- vocational driving licences and tachograph cards, for individuals who drive a vehicle such as a bus or heavy goods vehicle (HGV) for work – 0.7 million (4%) of driver-related transactions in 2021-22.¹

3 Drivers must declare certain medical conditions to DVLA, or changes in such conditions, either when applying for or renewing a licence, or while driving on an existing licence. When a customer does so, DVLA assesses whether they can drive without putting themselves or others in danger. The medical licensing process can be more complex than other licensing decisions, and often relies on medical professionals providing additional information to DVLA. In addition to 16.0 million standard licence applications, DVLA processed around 581,000 medical licensing decisions in 2021-22, making up the remaining 4% of driver-related transactions.

4 Under current legislation (Section 88 of the Road Traffic Act 1988), customers with an existing driving licence waiting for DVLA to process a driving licence application or make a medical licensing decision may be able to continue to drive, provided they have made a valid application and their doctor or healthcare professional has not advised them against driving. DVLA signposts the provisions of Section 88 in letters to customers who are applying to renew their entitlement to drive and further information about Section 88 is available on the gov.uk website.

¹ A tachograph records information on driving speed, time and distance to ensure drivers correctly follow laws on driving hours.

5 An increasing proportion of applications for driving licences are made online, but DVLA still processes a significant amount of physical paper applications: 31% of driver-related transactions in 2021-22 were completed fully or partially on paper, including most medical licence applications. DVLA staff input information from paper-based applications onto its systems and issue letters to the applicants and other parties to request information required to make licensing decisions. DVLA's current digital transformation programme aims to enable customers to access the majority of DVLA's drivers' services online within the next three to five years.

6 The COVID-19 restrictions introduced in March 2020 meant most staff could not work at DVLA's offices, affecting DVLA's ability to process applications (Appendix Two). Since then, DVLA has taken longer than usual to process driving licence applications from customers applying with paper documents or informing DVLA about medical conditions, leading to backlogs developing in parts of DVLA's driving licence operations. Calls to DVLA from customers making enquiries increased greatly, and the volume of complaints also increased.

Scope of this report

7 We carried out this investigation in response to concerns expressed by members of Parliament about the volume of correspondence they had received from constituents about their experiences of getting a driving licence. This report examines the delays and backlogs in driving licence applications that developed after April 2020, covering:

- the scale and nature of the delays and backlogs;
- their underlying causes;
- the scale of calls and complaints from customers; and
- DVLA's actions to manage and reduce the delays and backlogs.

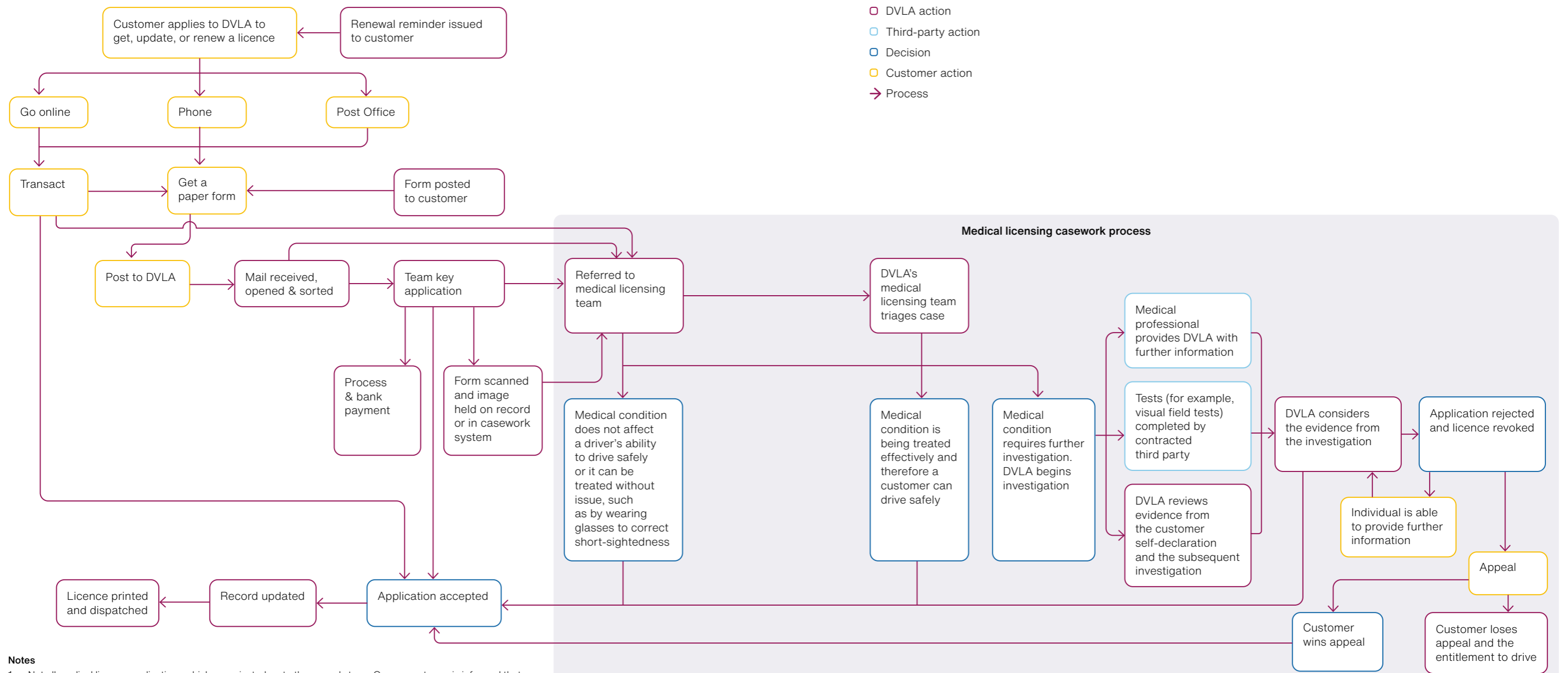
8 We did not examine wider aspects of DVLA's role, such as its handling of vehicle registrations and records, or its collection of VED. The Comptroller and Auditor General (C&AG) reports annually on DVLA's collection of VED alongside his audit of DVLA's financial statements, most recently in July 2022.²

9 We conducted our fieldwork between June and September 2022. We reviewed documents, including DVLA's management information on driving licence processing, and papers describing its actions in response to the COVID-19 pandemic and the development of backlogs. We held interviews with officials in DVLA and the Department for Transport to discuss the areas in our scope and carried out on-site observations of transactions being processed.

² Driver & Vehicle Licensing Agency, *Annual Report & Accounts 2021-22*, July 2022, available at: www.gov.uk/government/publications/dvla-annual-report-and-accounts-2021-to-2022

Figure 1
Overview of the driving licence application process for standard and medical licences, within the Driver & Vehicle Licensing Agency (DVLA)

Applying for a driving licence can be a simple process but paper-based applications can take more steps, while medical licensing decisions can be much more complex



Notes

- 1 Not all medical licence applications which are rejected go to the appeal stage. Once a customer is informed that their application is rejected and their licence revoked, they are provided with the option of appealing the decision.
- 2 Customers can receive a paper form by either contacting DVLA via phone, accessing its website, or collecting a form from a post office.
- 3 Under current legislation (Section 88 of the Road Traffic Act 1988), customers with an existing driving licence waiting for DVLA to process a driving licence application or make a medical licensing decision may be able to continue to drive, provided they have made a valid application and their doctor or healthcare professional has not advised them against driving.

10 We defined ‘driving licence applications’ as all transactions relating to driving licence records that can lead to a new licence being issued, work on the part of DVLA frontline staff, or a change to a driver’s record. For example, applying for a first licence, renewing an existing licence, updating personal details, and advising DVLA of the development of (or changes related to) a relevant medical condition for DVLA to determine individual’s fitness to drive. We also included applications for tachograph cards, which some drivers need in addition to a vocational driving licence to work legally. In some parts of the report, we present data relating to performance measures focusing on the number of applications processed within a set number of days to calculate these performance measures. DVLA uses a narrower definition of ‘driving licence applications’ than ours (Appendix One). This means that the numbers of applications presented in the context of performance reporting may not sum to the total number of driving licence applications for the same period presented elsewhere in this report.

Key findings

Scale of delays and backlogs in driving licence applications

11 Over the pandemic, DVLA continued to process most online licence applications within expected timeframes. Around 70% of driving licence applications are made online with the remaining 30% being paper-based. Ordinary driving licence applications make up the majority (96%) of online applications. Since April 2020, DVLA has met its aim of processing 95% of online ordinary driving licence applications within three working days of receipt in all but one month – May 2021 (paragraph 2.4).

12 DVLA was less able to process paper-based applications for driving licences, including applications with a medical element, while COVID-19 restrictions were in place, resulting in backlogs. The total number of driving licence applications in progress peaked at 1.1 million in September 2021, more than five times the average number in progress per month in 2019-20. Between April 2020 and September 2022, of the 24.3 million applications that DVLA completed, 3.3 million (13%) took longer than expected. The majority of these, 2.4 million (73%), were paper-based ordinary licence applications (paragraphs 2.3 and 2.5).

13 DVLA eliminated the backlog in paper-based standard driving licence applications in mid-2022, returning to processing applications within usual time limits by May 2022 and reducing the number in progress to typical levels by July 2022. DVLA usually expects to process 90% of paper-based standard licence applications within 10 working days. However, between April 2020 and September 2022, it achieved this level of performance in only eight out of 30 months, and overall around 52% of applications took longer than 10 working days to process. In July 2020, the number of standard applications in progress peaked at 504,000, compared with around 85,000 that DVLA would normally expect to be in progress at any one time. It reduced this to 73,000 by December 2020, but a second backlog then built up, and the number of applications in progress peaked at 836,000 in September 2021. By July 2022, DVLA had reduced the number of ongoing standard licence applications to 85,000 and eliminated the backlog (paragraphs 2.5 to 2.8).

14 Since March 2020, DVLA has not been able to make decisions on medical licence applications within its usual processing times. Around 89% of medical licence applications start on paper and many applications, including those that start online, involve further paper correspondence. DVLA expects to make 90% of medical licensing decisions within 90 days, but DVLA's performance dropped below this in March 2020. DVLA suspended this measure as a formal target for 2020-21 and 2021-22 due to the impact of the COVID-19 pandemic on its operations and on medical professionals' ability to respond to DVLA's requests for information. Between April 2020 and September 2022, of the medical licensing decisions that DVLA made, 36% took longer than 90 working days, with 6% taking longer than 250 working days (paragraphs 1.7, 2.9, 2.11, 2.12 and 2.26).

15 By February 2022, DVLA had 333,000 medical licence applications in progress, three times the average number in progress during 2019-20. Before March 2020, DVLA had on average 106,000 ongoing applications from drivers with medical conditions. After March 2020, the number of ongoing medical licensing applications built up, averaging 144,000 in 2020-21 and 274,000 in 2021-22. The number of ongoing applications peaked in February 2022 at 333,000. Since then, DVLA has cleared on average 17,700 more applications per month than it has received, reducing the number of ongoing applications to around 207,000 at the end of September 2022. DVLA was aiming to reduce the number of ongoing applications to 120,000 or fewer by September 2022 but is now aiming to achieve this by December 2022 or January 2023 (paragraphs 2.11 and 2.12).

Causes of delays and backlogs in licence applications

16 DVLA's ability to process paper-based applications was reduced during the COVID-19 lockdowns as fewer staff were able to work at its site in Swansea.

DVLA's operational processes for handling paper-based applications were designed around staff being on site, to handle physical paper or to access scanned paperwork using IT systems that were not designed for remote working. DVLA's on site workforce capacity was reduced between April and August 2020 to comply with COVID-19 restrictions introduced in April 2020. The number of staff working on site before the COVID-19 pandemic was around 3,300. During the first lockdown from March 2020 the number on site fell to under 1,000 at any one time, up to June 2020. DVLA's workforce included many individuals with caring responsibilities and 1,050 people who were vulnerable, including people with underlying health conditions that put them at greater risk of severe illness from COVID-19 (paragraphs 1.9 and 2.20 to 2.23).

17 Some of the delay in making medical licensing decisions was caused by difficulties in obtaining medical information from doctors and other medical professionals.

In addition to a lack of staff capacity on site due to COVID-19 restrictions, official guidance issued by the British Medical Association and the Royal College of General Practitioners in March 2020 advised GPs to pause requests for medical information from DVLA and prioritise work essential for maintaining public health. Later guidance advised GPs to take into account the prevalence of COVID-19 in their local areas when prioritising work, and to respond to information requests from DVLA related to essential workers, such as lorry and bus drivers. Customers were also less able to access vision and other tests commissioned by DVLA from medical specialists because businesses were in lockdown or were experiencing problems related to the pandemic. In addition, staff capacity within DVLA was reduced because of industrial action between April and August 2021, with staff dealing with medical licensing decisions taking part in 33 days of industrial action (paragraphs 2.25 to 2.28, and 2.30).

18 In February 2020, DVLA modelled the impact of COVID-19 on its services, but it had not anticipated the scale and length of disruption that the COVID-19 pandemic and the government response to it would cause.

DVLA undertook an exercise in February 2020 to model the possible impact of COVID-19. Through the exercise DVLA understood that staff being off site would lead to backlogs in paper-based licence applications, but it did not anticipate the level of sustained disruption from COVID-19 restrictions on its ability to process paper-based applications at its main Swansea site (paragraph 3.2).

Customer calls and complaints

19 Calls from customers about their driving licence applications increased around sixfold over the pandemic, but DVLA had fewer staff to answer them, which led to very high numbers of unanswered calls. The number of calls to DVLA's contact centre relating to driving licences increased from around 442,000 per month prior to April 2020 to an average of 1.8 million per month during 2020-21 and 3.5 million calls per month during 2021-22. Calls to DVLA peaked in July 2020 at 5.5 million. The number of telephone calls DVLA's contact centre answered each month fell significantly from around 370,000 calls per month before the pandemic to an average of around 157,000 per month over 2020-21 and 129,000 per month over 2021-22. Consequently, high numbers of calls were not answered, peaking first in July 2020 at around 5.4 million, and again in June 2021 at around 5.6 million. Since then, the number of calls to DVLA has been dropping, to around 345,000 in September 2022, below the pre-pandemic average. DVLA expects call volumes to stay below pre-pandemic levels as customers have switched to online communication channels. At the same time the number of unanswered calls has been dropping, to 25,000 in September 2022, 7% of calls received. The number of unanswered calls does not represent the number of individual customers whose calls were not answered as many customers made multiple attempts to call (paragraphs 2.14 to 2.16).

20 The number of complaints to DVLA increased from 4,300 in 2019-20 to almost 32,000 in 2021-22. In 2019-20, DVLA received around 4,300 customer complaints either directly or via customers' MPs, which increased to 12,300 complaints in 2020-21 and to more than 31,900 in 2021-22. At the same time the proportion of complaints DVLA received via MPs increased from 60% in 2019-20 to 84% of all complaints in 2021-22. Despite medical licence applications accounting for only 0.4% of all DVLA's transactions that year, 52% of complaints in 2021-22 related to these applications (paragraphs 1.6, 2.17 and 2.18).

DVLA's actions to manage delays and backlogs in driving licence applications

21 Since April 2020, DVLA has prioritised certain applications and customers according to need and the resources it had available. Between April and June 2020, DVLA prioritised working on paper-based applications for HGV and bus drivers' vocational driving licences. It largely paused work on paper-based applications related to other driving licences as staff were unable to process these from home. As the number of DVLA staff able to work on site increased, it reintroduced more services. Currently, to bring down the remaining backlog in the medical licence applications, DVLA is working on older applications alongside incoming applications, aiming to balance these two priorities based on the capacity and capability of the staff it has available, rather than focusing exclusively on the oldest applications (paragraphs 1.4, 3.3 and 3.5).

22 DVLA allowed standard licence holders to delay renewing their licence to reduce overall demand on its services. From June 2020, DVLA implemented changes to allow drivers to delay renewing their photocard driving licence by up to 11 months and allowed vocational licence holders a one-year extension to the usual requirement to undergo a medical examination by a doctor every five years from the age of 45 (paragraph 3.10).

23 DVLA increased the number of staff able to work remotely during 2020 and 2021 but this did not include most staff working on paper-based licence applications or processing customers' medical information. The number of DVLA staff working from home increased from around 1,400 in April 2020 to around 2,000 by the end of 2020, as more were issued with laptops. However, DVLA does not allow most staff working on paper-based applications or processing customers' medical information to work remotely because of high data security risks. DVLA assesses the risks associated with staff handling customers' original identity documents and accessing customers' medical information at home to be too high for remote working to be possible (paragraphs 3.13 to 3.15).

24 DVLA has temporarily expanded the size of its estate and increased the number of staff able to work safely on site, to increase the capacity and resilience of its processing of paper-based licence applications. Starting in April 2020, DVLA rearranged its main office site in Swansea to comply with safety requirements and to free up space for operational staff, at a cost of £1.2 million. It developed a longer-term plan to acquire new office space and increase staff capacity through a combination of shift work, overtime payments, and recruitment. These plans evolved over time, and DVLA built in extra capacity to provide resilience against changes in COVID-19 infection levels and government guidance. An amended final business case in October 2021 approved expenditure of up to £37 million, covering the costs of: renting and preparing two new offices in Swansea and Birmingham; recruiting more than 400 additional staff (full-time equivalent basis) funded until March 2023; and making overtime payments to staff. DVLA is now planning to spend £34 million over four years. It had spent £24 million up to September 2022. DVLA considers the additional office space will provide resilience against any future restrictions (paragraphs 3.4 and 3.6 to 3.9).

25 DVLA is expanding online access for customers to its licensing services. In 2019, DVLA began a digital transformation programme, 'Evolve'. The programme aims to make existing services for drivers more efficient and easier for customers to use, as well as reducing the use of paper-based processes. In response to the backlogs, DVLA brought forward several changes from its digital transformation programme, including the introduction in July 2021 of a new online service for provisional driving licence applications, which it estimates has reduced paper-based applications by around 20,000 per month (paragraphs 1.9, 3.11 and 3.12).

Part One

The process of applying for a driving licence

1.1 This part of the report explains the role of the Driver & Vehicle Licensing Agency (DVLA), the process of applying for a driving licence, and the additional requirements if a customer declares a medical condition.

The Driver & Vehicle Licensing Agency

1.2 DVLA is an executive agency of the Department for Transport. It is responsible for maintaining drivers' records in Great Britain and maintaining vehicle records in the UK. DVLA holds around 50 million drivers' records and more than 40 million vehicle records. It also collects and enforces Vehicle Excise Duty, passing £7.1 billion to HM Treasury in 2021-22. In 2021-22, DVLA's total operating costs (including staff expenditure) were £449 million, its operating income was £653 million, generating a net income of £204 million.

1.3 DVLA operates on a large scale. In 2021-22, it received 3.3 billion digital enquiries relating to driver or vehicle records and completed 135.2 million applications. Most transactions (118.6 million or 88%) were related to vehicles, such as issuing vehicle registration certificates to vehicle keepers, car tax renewals and selling personalised registrations. The remaining 12% (16.6 million) of transactions were related to drivers (**Figure 2** overleaf), including issuing photocard driving licences, and registering and issuing tachograph cards to people such as bus and heavy goods vehicle (HGV) drivers.³ Around one-third of DVLA's 6,400 staff (by headcount) work on driver and driving licences-related work.

³ A tachograph records information on driving speed, time and distance to ensure drivers follow laws on driving hours correctly.

Figure 2 The process of applying for different types of driving licence from the Driver & Vehicle Licensing Agency (DVLA)

There are several types of driving licence, depending on customer needs and whether they have a notifiable medical condition

Type of licence	Customer	Initial application	Application process	Renewals	Volumes of applications 2021-22 (m)
Ordinary driving licence	All drivers, for example, people who drive a vehicle such as a car or a motorcycle.	Individuals can apply for a provisional licence from the age of 15 years and nine months. ¹	Customers apply for a driving licence via either a paper form or online. Both require the user to provide relevant identity documents or details such as an in-date passport number.	Every 10 years, until the age of 70 when this shortens to every three years.	15.3 ²
Vocational driving licence ³	Those who drive large vehicles, including buses and heavy goods vehicles (HGVs).	Having gained an ordinary driving licence, applicants then apply for an additional entitlement.	Having passed the vocational theory and practical elements of the vocational test, drivers then apply for a tachograph card, which records a driver's driving time, speed, and distance while a driver is working. DVLA also issues vocational drivers with a Driver Certificate of Professional Competence (CPC) on behalf of the Driver & Vehicle Standards Agency. The driver must complete 35 hours of training every five years to keep their Driver CPC. All vocational driving licence applicants must provide a medical report completed by a doctor when they apply for their first vocational licence and at certain renewals.	Every five years after the age of 45, annually after 65.	0.7 ²
Driving licence with medical element	Holders of an ordinary or vocational licence who have a medical condition which they are required, by law, to disclose to DVLA. After being notified, DVLA assesses whether the customer is safe to drive.	When applying for a driving licence, having disclosed any medical conditions, a customer may need to go through the process of applying for a medical driving licence.	Drivers are legally obliged to inform DVLA of any condition that might affect their ability to drive. In line with legislation, if DVLA considers a customer's medical condition may affect their ability to drive safely, it will investigate before either issuing a licence or rejecting an application. Medical licence applications are processed by DVLA's specific medical licensing team. DVLA provides customers who disagree with its decision with the opportunity to provide further information. DVLA then reconsiders the previous decision and accepts the application or rejects it again. The customer can also appeal the decision through a magistrates' court.	Every one, two, three or five years, or until the age of 70, depending on the medical condition.	0.6

Notes

- 1 Individuals can apply for a provisional licence from the age of 15 years and nine months to drive a moped.
- 2 Excludes decisions on driving licences with a medical element.
- 3 Drivers who have a vocational licence must already have an ordinary licence.
- 4 Drivers must provide a 'D4' medical report completed by a doctor when they apply for their first vocational driving licence and at certain renewals.

Source: National Audit Office analysis of Driver & Vehicle Licensing Agency data

Driving licences

1.4 People interact with DVLA when they apply for their first driving licence, renew an existing licence, or when their circumstances change, such as a change of address. DVLA aims to process 95% of online applications for a new or updated standard driving licence in three working days, and 90% of paper-based applications in 10 working days. DVLA processes applications related to two main types of 'standard' licence:

- ordinary driving licences – accounting for 15.3 million (92%) of driver-related transactions in 2021-22; and
- vocational driving licences and tachograph cards, needed by individuals who drive a vehicle such as a bus or HGV for work – 0.7 million (4%) of driver-related transactions in 2021-22.

Medical licensing

1.5 The system of medical licensing relies on individuals informing DVLA of a medical condition that might affect their ability to drive. Existing licence holders and those applying for licences must declare such medical conditions, for example, a heart condition, diabetes or epilepsy. When a customer declares a medical condition, DVLA needs to assess whether the customer can drive without putting themselves or others in danger before it issues a driving licence. As for standard driving licences, licences issued through the medical licensing system can be ordinary or vocational. DVLA made 581,000 medical licensing decisions (4% of all driver-related transactions) in 2021-22.

1.6 The medical licensing process can be more complex than other types of licensing, and often relies on other external organisations providing additional information to DVLA (Figure 1). DVLA's staff, which includes nurses and doctors, make decisions on individual applications using a range of information from applicants, their doctors, and other specialist medical professionals. DVLA usually aims to process 90% of medical licensing decisions in 90 working days, although it suspended this measure as a formal annual target between April 2020 and September 2022 because of the effect COVID-19 restrictions had on its operations and delays in responses from medical professionals to DVLA's requests for information. Although medical licensing represents a small minority (0.4%) of DVLA's overall transactions, as at September 2022 it accounted for 14% of DVLA's staff by headcount, up from 11% by headcount in September 2019.

Applying for a driving licence

1.7 Although many DVLA services have been available online for many years, customers can still use paper-based channels for most services, including applying for a driving licence. DVLA therefore needs staff on site to receive, open and sort mail, print and send correspondence and new licences, and scan or manually enter information from paper forms into its IT systems. Staff must also be on site to access sensitive customer information, such as medical records (Figure 1). Out of 16.6 million driver-related transactions in 2021-22, some 5.1 million (31%) were completed fully or partially on paper, including most medical licensing decisions. DVLA receives around 1.2 million items of physical mail per month, including vehicles-related mail. People applying for driving licences can still use paper forms. Most applications connected to a vocational licence are paper-based. While customers can in some circumstances start a medical licence application online, around 89% of such applications start on paper and many applications, including those that start online, involve further paper correspondence.

1.8 The volume of mail related to driving licences arriving at DVLA fell at the onset of the COVID-19 pandemic, recovering to normal levels by early 2021 (Figure 3). Mail includes new applications and correspondence relating to existing applications. Its volume is not an exact match to the number of new applications at a given point, as one item of mail can contain multiple applications and not all mail received will generate a new application. DVLA received 4.8 million items of mail in 2020-21, compared with 6.0 million items in 2019-20. In 2021-22, mail items increased to 5.8 million but did not exceed pre-pandemic levels. The volume of mail arriving in the first six months of 2022-23 has been 6% lower than in the first six months of 2019-20. DVLA considers that the volume of mail is reducing gradually over time because of a change in customer behaviour, towards greater use of digital services.

1.9 DVLA relies on legacy technology to deliver many of its services, some of which is more than 20 years old. Its current digital transformation programme for its drivers' services, known as 'Evolve' and started in 2019, aims to make existing services for drivers more efficient and easier for customers to use, as well as reducing the use of paper-based processes. It plans to replace legacy systems and further digitise its services, significantly reducing paper-based driving licence applications by 2025. DVLA also aims to increase the amount of automation within both the standard and medical licensing processes, and to allow healthcare professionals as well as customers to provide information digitally wherever possible.

Part Two

Processing driving licence applications

2.1 This part of the report sets out the trends in processing times and backlogs in driving licence applications over 2020, 2021 and 2022; changes in volumes of customer calls and complaints; and the effect of reduced capacity at the Driver & Vehicle Licensing Agency (DVLA) on processing driving licence applications.

2.2 We examined the number of applications that were in progress, and DVLA's performance in processing applications against its usual service standards. We looked at DVLA's transactions relating to driving licence records, including applying for a first licence, renewing an existing licence, and advising DVLA of the development of (or changes related to) a notifiable medical condition.

2.3 Over the pandemic, DVLA continued to process most online licence applications within expected timeframes. Ordinary driving licence applications make up the majority (96%) of online applications. However, because DVLA was unable to process paper-based and medical licence applications within expected timeframes, backlogs developed. The total number of driving licence applications in progress peaked at 1.1 million in September 2021, compared with an average of 196,000 applications in progress in 2019-20. At the end of September 2022, the total number of driving licence applications in progress had reduced to 280,000 (**Figure 4**). Overall, between April 2020 and September 2022, of the 24.3 million applications that DVLA completed, 3.3 million took longer than expected, 13% of the total.

Standard licence applications

Processing times

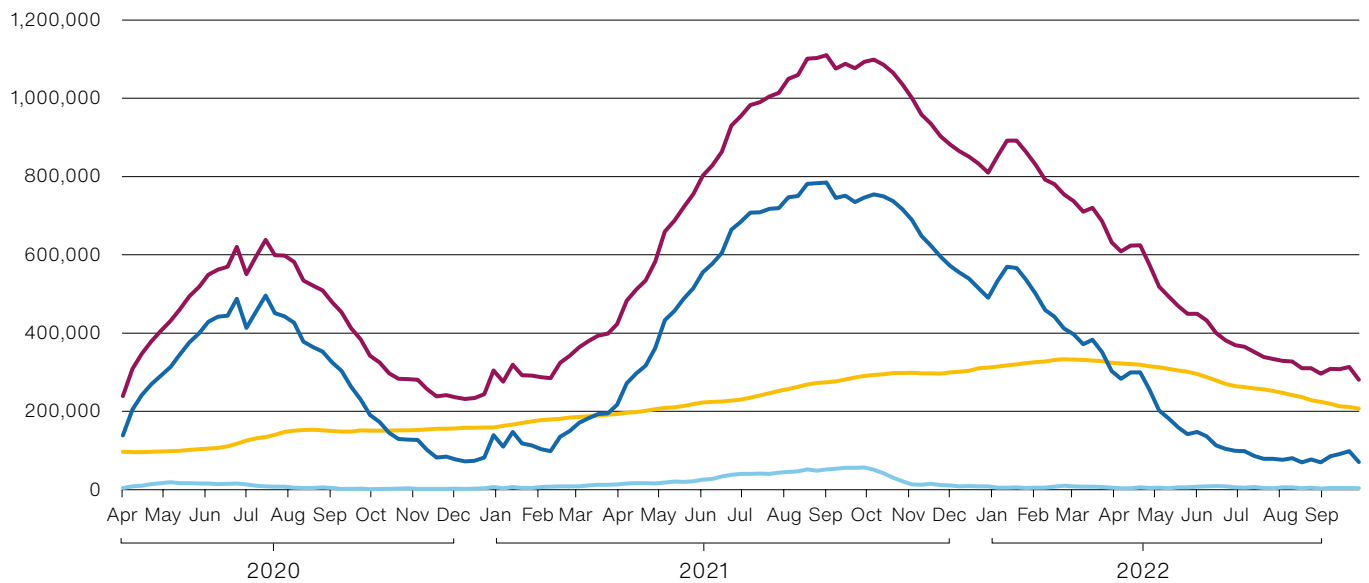
2.4 Across 2020-21 and 2021-22, 69% (18.9 million out of 27.4 million) of all standard licence applications were made online. Around 95% of standard driving licence applications relate to ordinary licences. Since April 2020, DVLA has met its aim of processing 95% of online ordinary driving licence applications within three working days in all but one month, May 2021 (**Figure 5** on page 22).

Figure 4

Number of driving licence applications in progress, April 2020 to September 2022

Since April 2020 there have been two peaks in the number of ordinary licence applications in progress, and a more persistent increase in the number of medical licence applications in progress

Number of applications



Type of applications

- Total applications
- Vocational licence applications
- Ordinary licence applications
- Medical licence applications

Note

1 The line 'Total applications' is the total of the other three categories: 'Medical licence applications,' 'Vocational licence applications,' and 'Ordinary licence applications.'

Source: National Audit Office analysis of Driver & Vehicle Licensing Agency data

Figure 5

Driver & Vehicle Licensing Agency's (DVLA's) performance processing ordinary driving licence applications, April 2020 to September 2022

Since April 2020, DVLA has processed 98% of online applications for ordinary driving licences within three working days

Year	Route	Volume of applications processed (m)	Usual performance measure for processing driving licence applications ¹	Applications completed within expected time		Applications completed in excess of expected time		Number of months in which usual performance measure was met
				Number (m)	(%)	Number (m)	(%)	
2020-21	Paper	1.4	90% in 10 working days	0.9	64	0.5	36	4/12
	Online	5.5	95% in three working days	5.5	100	0.0	0	12/12
2021-22	Paper	1.8	90% in 10 working days	0.3	18	1.5	82	0/12
	Online	8.2	95% in three working days	7.9	97	0.3	3	11/12
2022-23 April to September	Paper	1.0	90% in 10 working days	0.8	76	0.2	24	4/6
	Online	3.7	95% in three working days	3.6	99	0.0	1	6/6

Notes

- For the purposes of measuring performance processing standard licence applications, including ordinary licence applications, DVLA excludes some categories of application from its measures, including applications with a medical element and applications that fail digital validity checks. The data for ordinary licence applications presented in this figure also exclude vocational licence applications.
- DVLA told us its performance can be affected by seasonal fluctuations in the number of applications arriving and in staff availability. DVLA therefore usually reports on these measures on an annual basis. DVLA suspended its usual performance targets for processing paper-based applications in 2021-22.
- Proportions may not reconcile to totals due to rounding.

Source: National Audit Office analysis of Driver & Vehicle Licensing Agency data

2.5 DVLA aims to process 90% of paper-based ordinary licence applications within 10 working days, although it suspended this measure as a formal annual target for 2021-22 because of the effect COVID-19 restrictions had on its operations.⁴ Between April 2020 and September 2022, DVLA achieved this aim in eight out of 30 months (Figure 5). Late processing of paper-based applications explains most of the underperformance in processing standard licence applications following the first COVID-19 lockdown in March 2020. Between April 2020 and September 2022, it processed 52% of all paper-based standard applications within 10 working days. Overall, over this period, 2.7 million standard driving licences from a total of 22.7 million were issued late, comprising:

- 0.3 million online applications that took more than DVLA's target of three working days to process. 17.4 million applications were processed within three working days; and
- 2.4 million paper-based applications that took more than DVLA's usual target of 10 working days to process.⁵ 2.6 million applications were processed within 10 working days.⁶

2.6 Since April 2020, more customers have experienced delays in receiving their licences compared with before the pandemic, and more customers have experienced long delays. Between April 2020 and September 2022, around 789,000 customers waited more than 40 working days for their licence to be issued (**Figure 6** on pages 24 and 25). The number of people who waited more than 40 days to receive their licence peaked at nearly 104,000 in October 2021. DVLA briefly returned to processing standard driving licence applications within usual time limits around December 2020, and by May 2022 processing times had returned to normal.

Applications in progress

2.7 Backlogs in standard driving licence applications built up during 2020 and 2021. Over 2018-19 and 2019-20, DVLA had on average 84,000 standard licence applications in progress at any given time, of which around 3,000 were applications for vocational licences. Following the first national lockdown, the number of ongoing standard applications increased, peaking at 504,000 in July 2020 (Figure 4). By mid-December 2020, DVLA had reduced the number of ongoing standard licence applications to 73,000, before increasing again. The number of standard licence applications in progress peaked again at around 836,000 applications in September 2021, of which around 51,000 were vocational licence applications, a tenfold increase in the number of standard licence applications in progress compared with usual levels.

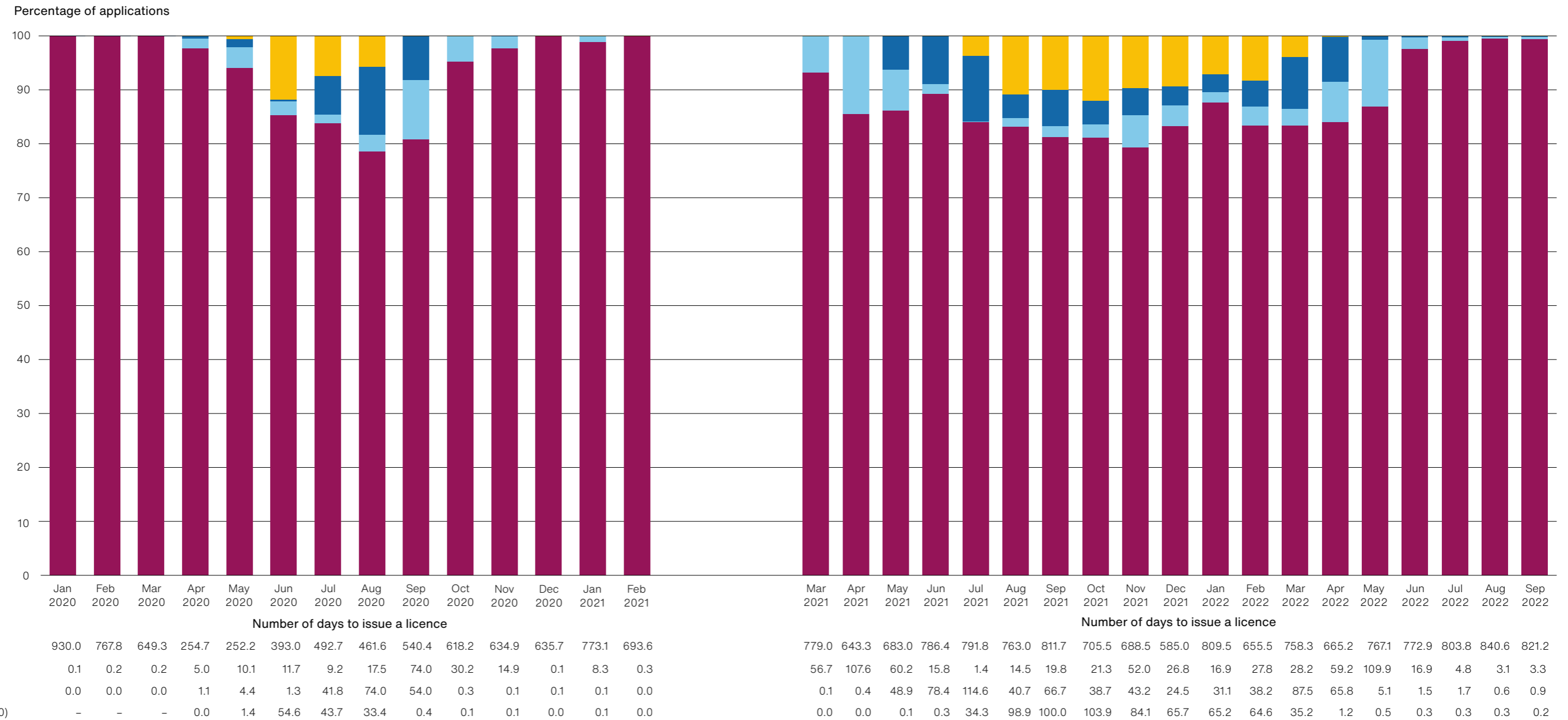
4 For the purposes of measuring processing performance, DVLA excludes some categories of application from its measure, including applications with a medical element and applications that fail digital validity checks. This means that the numbers of licence applications presented in this paragraph may not sum to the total number of driving licence applications for the same period presented elsewhere in this report.

5 In April 2022 it reduced this to five working days for paper-based tachograph and vocational licence applications.

6 Data include transactions related to tachograph cards.

Figure 6
Percentage of standard driving licence applications issued within a given number of working days, January 2020 to September 2022

Customers applying for standard driving licences have experienced two periods of slower processing since April 2020



Notes
 1 Includes online and paper-based standard driving licence applications.
 2 Excludes medical licence applications.
 3 Numbers have been rounded to one decimal place for readability.

Source: National Audit Office analysis of Driver & Vehicle Licensing Agency data

2.8 DVLA started to reduce the backlog from September 2021. In November 2021, DVLA told the Department for Transport that it expected to reduce the number of ongoing standard driving licence applications to around the pre-pandemic average of 85,000 by May 2022, including 8,000 vocational applications. By January 2022, DVLA had reduced the number of ongoing vocational licence applications to below 8,000. By July 2022, it had reduced the number of ongoing standard licence applications to 85,000 and eliminated the backlog.

Medical driving licence applications

Processing times

2.9 DVLA expects to process 90% of medical licensing decisions within 90 working days and is usually measured annually against this target, which it achieved in 2018-19 and 2019-20. DVLA suspended this measure as a formal annual target for 2020-21 and 2021-22 but continued to measure performance monthly. DVLA's performance processing medical licence applications first dropped below 90% in March 2020 (**Figure 7** on pages 28 and 29). Performance continued to fall after March 2020 and by February 2022, the month with the greatest proportion of delayed decisions, 50% of DVLA's decisions were made within 90 days. Performance has improved since then, and in September 2022 DVLA made 62% of its medical licensing decisions within 90 days, although this remains below its usual expected level of performance. Overall, between April 2020 and September 2022, 36% of the medical licensing decisions DVLA made took longer than 90 working days, with 6% taking longer than 250 working days.

2.10 Some 42% of the 207,000 ongoing medical licence applications at the end of September 2022 were more than 90 working days old, and 16% (around 33,000 applications) were 200 or more working days old. In comparison, around 6,000 medical licensing decisions in 2018-19 and 17,000 in 2019-20 took more than 200 working days, representing around 1% of applications.

Applications awaiting a decision

2.11 In contrast to the two peaks in ongoing standard licence applications, the backlog in medical licence applications built steadily after the first COVID-19 lockdown started in March 2020. In 2019-20, the average number of applications awaiting a decision was 106,000, rising to 144,000 in 2020-21 and to 274,000 in 2021-22. The number of applications in progress peaked at 333,000 in February 2022 (Figure 4).

2.12 At the end of September 2022, DVLA had 207,000 medical licence applications in progress. Of these, 98,000 (47%) were awaiting information from third parties; for comparison, at the end of September 2019, 65,000 (60%) of 109,000 ongoing applications were awaiting information from third parties. DVLA's aim was to reduce the number of medical licence applications in progress to 120,000 by September 2022, around 13% higher than the average number in 2019-20. It now expects to achieve this in December 2022 or January 2023. Since February 2022, DVLA has cleared on average 17,700 more applications per month than it has received.

Customer calls and complaints

2.13 Under Section 88 of the Road Traffic Act 1988, a customer with an existing driving licence waiting for DVLA to process a driving licence application or make a medical licensing decision may be able to continue to drive, provided they have made a valid application and their doctor or healthcare professional has not advised them against driving. DVLA signposts the provisions under Section 88 in letters to customers who are applying to renew their entitlement to drive, and further information about Section 88 provisions is available to applicants on the gov.uk website. There are no data on how many drivers are aware of, or use, these provisions. Similarly, there are no data on how many drivers stopped driving while they waited for their licence, or experienced other issues such as difficulty renewing their motor insurance.

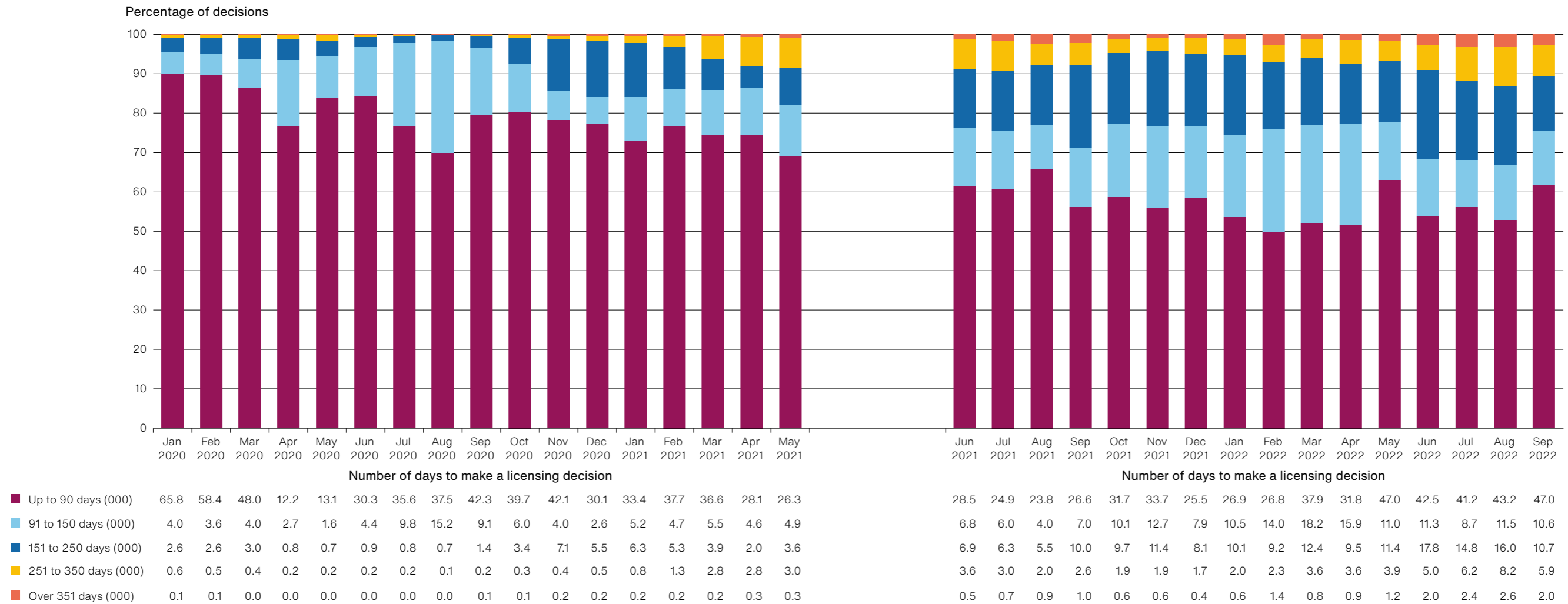
Customers contacting DVLA by telephone

2.14 DVLA's contact centre was not able to meet demand from customers calling with enquiries relating to drivers' services during the pandemic (**Figure 8** on pages 30 and 31). Over 2019-20, DVLA received on average around 442,000 calls per month relating to driving licences. This increased to an average of 1.8 million calls per month during 2020-21, with a monthly peak of 5.5 million calls in July 2020. Average monthly calls increased to 3.5 million calls during 2021-22, peaking at 5.7 million in June 2021. The number of calls to the contact centre has been falling since January 2022, dropping to around 345,000 in September 2022, below pre-pandemic levels. DVLA expects call volumes to stay below pre-pandemic levels as customers have switched to online communication channels. DVLA had an average of 376,000 online customer contacts per month in 2021-22, relating to drivers and vehicle services, compared with 85,000 per month in 2019-20.

2.15 Over 2019-20, DVLA answered on average 370,000 calls per month relating to driving licences, 84% of the total received. The number of calls answered dropped markedly in April 2020, averaging 157,000 per month in 2020-21 and 129,000 per month in 2021-22. The number of calls answered per month has been increasing over 2022-23, to around 320,000 calls in September 2022, 93% of calls received. The average length of a call has also increased since 2019-20.

Figure 7
Percentage of medical licensing decisions made within a given number of working days,
January 2020 to September 2022

On average, since January 2020, one in five customers who received a medical licensing decision waited more than 150 working days



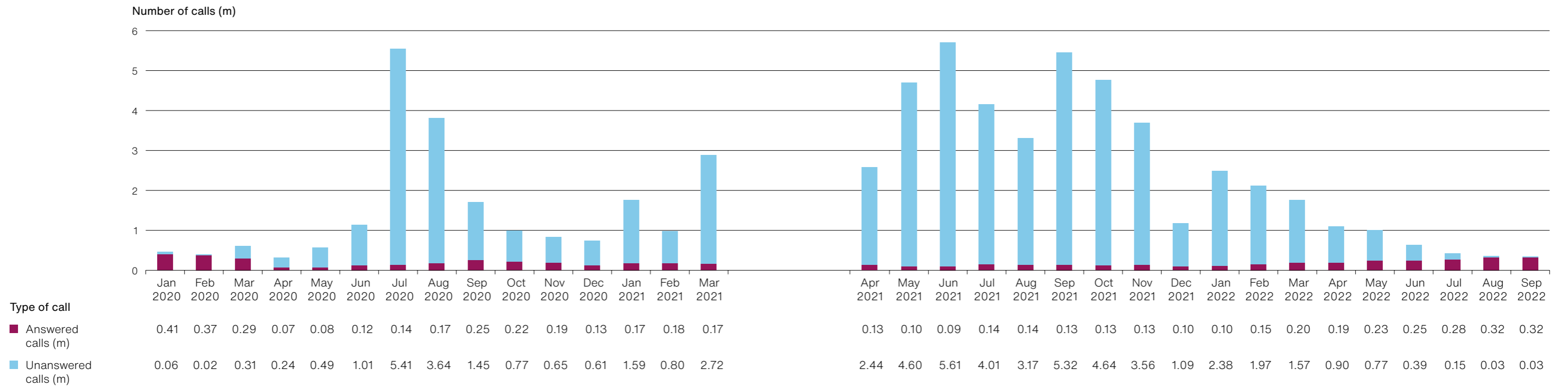
Notes

- 1 Numbers have been rounded to one decimal place for readability.
- 2 Data presented represent the time taken to reach decisions made in a given month. The figure does not include data on the age of applications in progress.

Source: National Audit Office analysis of Driver & Vehicle Licensing Agency data

Figure 8
The number of answered and unanswered calls regarding driving licences to the Driver & Vehicle Licensing Agency's (DVLA's) contact centre, January 2020 to September 2022

The number of unanswered calls peaked in June 2021 at 5.6 million



- Notes**
- 1 DVLA told us that the peak in July 2020 was due to restrictions it put in place as it brought more staff back into the office under social distancing rules after the first national lockdown. The arrangements required a break of one hour between each shift for sanitisation, which significantly increased the number of unanswered calls.
 - 2 Numbers have been rounded to two decimal places for readability.
 - 3 These data count calls about driving licences and exclude calls regarding other business areas such as vehicles.

Source: National Audit Office analysis of Driver & Vehicle Licensing Agency data

2.16 The higher volume of calls received by the contact centre, combined with fewer calls being answered, resulted in very high numbers of unanswered calls. Over 2019-20, the average number of unanswered calls relating to driving licences was 72,000 per month, 16% of calls received. The number of unanswered calls then rose quickly, peaking in July 2020 at around 5.4 million calls, and peaking again in June 2021 at around 5.6 million unanswered calls. Since then, the number of unanswered calls has been dropping, to 25,000 in September 2022, 7% of calls received. The number of unanswered calls is higher than the number of individual customers whose calls were not answered as some customers made multiple attempts to call.

Customer complaints

2.17 The number of complaints that DVLA received increased significantly after the first COVID-19 lockdown (**Figure 9**). In 2019-20, DVLA received around 4,300 complaints, increasing to around 12,300 in 2020-21, and to around 32,000 in 2021-22. The proportion of complaints that DVLA received via MPs increased over the same period, from 60% of complaints received in 2019-20, increasing slightly in 2020-21 to 63%, and to 84% in 2021-22. However, some customers initially make a complaint directly to DVLA and later make the same complaint via their MPs, leading to some double-counting between the categories of complaints and inflating the overall totals.

2.18 In 2019-20, 44% of complaints were related to medical licence applications (**Figure 10** on page 34). Medical licence applications accounted for 33% of complaints in 2020-21 and 52% in 2021-22. In 2020-21, 32% of complaints received via MPs related to medical driving licences, increasing to 53% in 2021-22. Between April and September 2022, DVLA received around 10,300 complaints in total (82% via MPs and 18% directly from customers) of which 68% related to medical licensing.

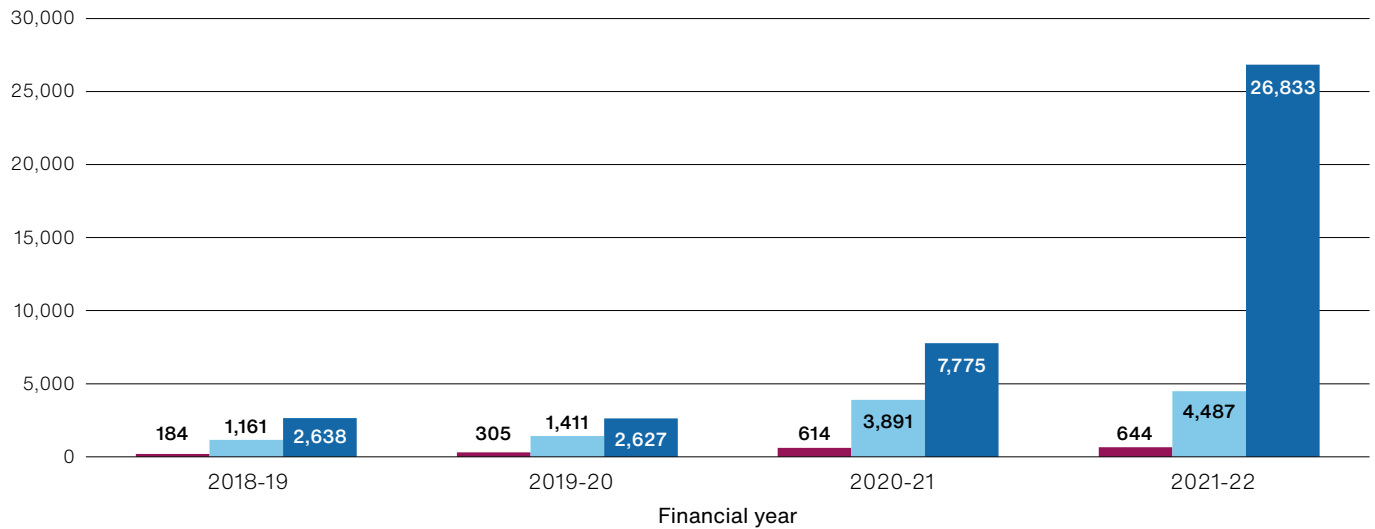
2.19 DVLA has also experienced an increase in the number of customers who have contacted a part of its business directly about an issue rather than complain formally. This includes contacting DVLA about issues with changes of vehicle keeper and taxing. In 2019-20, just over 2,200 customers contacted DVLA in this way. This increased to just under 22,000 customers in 2020-21 and 56,500 in 2021-22.

Figure 9

The number of complaints received by the Driver & Vehicle Licensing Agency (DVLA), April 2018 to March 2022

The number of complaints through MPs rose to just under 27,000 in 2021-22

Number of complaints



Complaint category

- CEO
- First formal
- MP

Notes

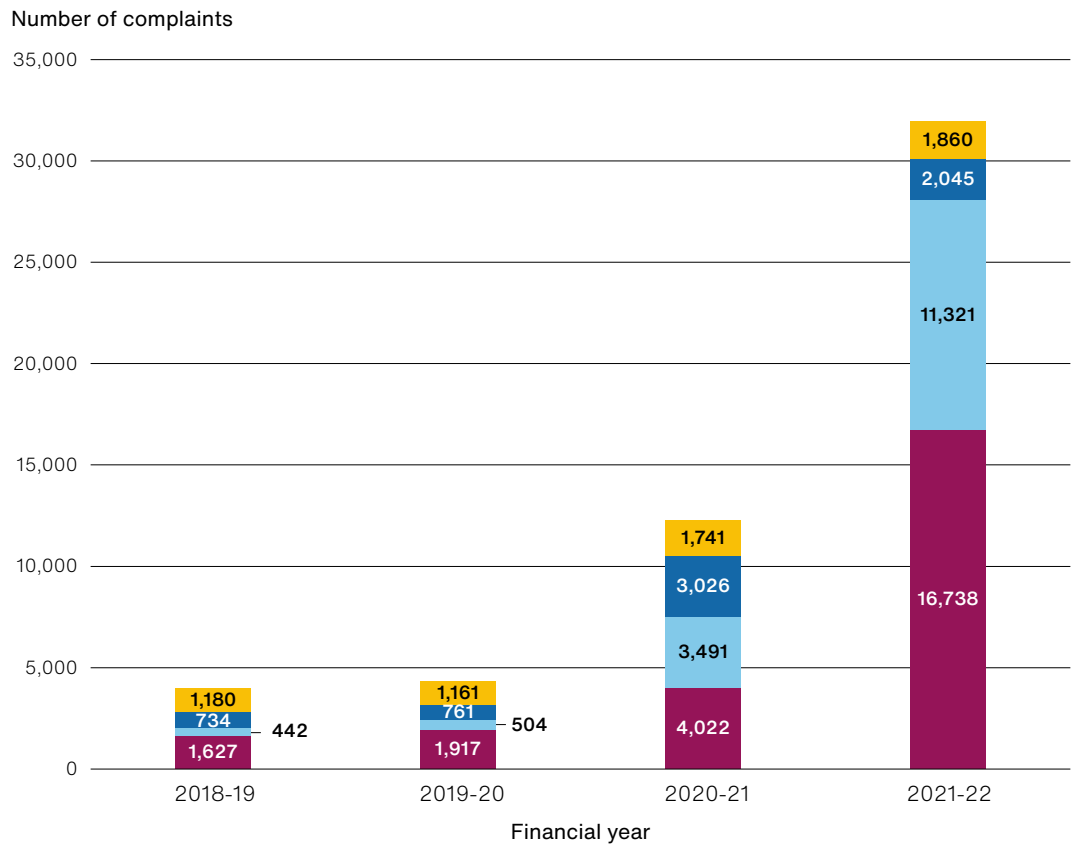
- 1 'CEO' complaints are those raised directly with DVLA's chief executive officer.
- 2 The 'First formal' category comprises complaints classified as formal complaints to DVLA.
- 3 The 'MP' category comprises complaints made via customers' MPs and complaints sent directly to ministers.

Source: National Audit Office analysis of Driver & Vehicle Licensing Agency data

Figure 10

The number of complaints received by the Driver & Vehicle Licensing Agency (DVLA), April 2018 to March 2022, by theme

Medical licensing has been the largest single source of complaints every year since 2019



Theme of complaint

- Medical licensing
- Drivers
- Vehicles
- Other

Note

1 The category 'Other' comprises complaints categorised as 'data release', 'enforcements' and 'policy'.

Source: National Audit Office analysis of Driver & Vehicle Licensing Agency data

The effect of reduced capacity in DVLA on processing applications

2.20 Dealing with paper-based and complex applications takes more staff time than online applications, involving a range of different staff opening and sorting mail, scanning and inputting data, and reviewing medical information. As a result, many of DVLA's operational processes are designed around staff and documents being physically on site. Medical licence applications are more complex and labour-intensive to process than other types of driving licence application. Although they made up only 4% of driving licence applications in 2021-22, around 50% of drivers' area staff currently work on medical licence applications.

2.21 DVLA's capacity to process paper-based licence applications on site was reduced significantly during parts of 2020 and 2021. DVLA told us that prior to the COVID-19 pandemic, most of its staff did not have a history of working remotely. The proportion of DVLA staff working on site fell to 7% of the total headcount on the first Monday in April 2020, with 22% working from home. As of the first Monday in March 2022, 39% of DVLA staff were working on site and 40% were working from home with the remainder of staff on leave (**Figure 11** on page 36). Capacity was reduced because of:

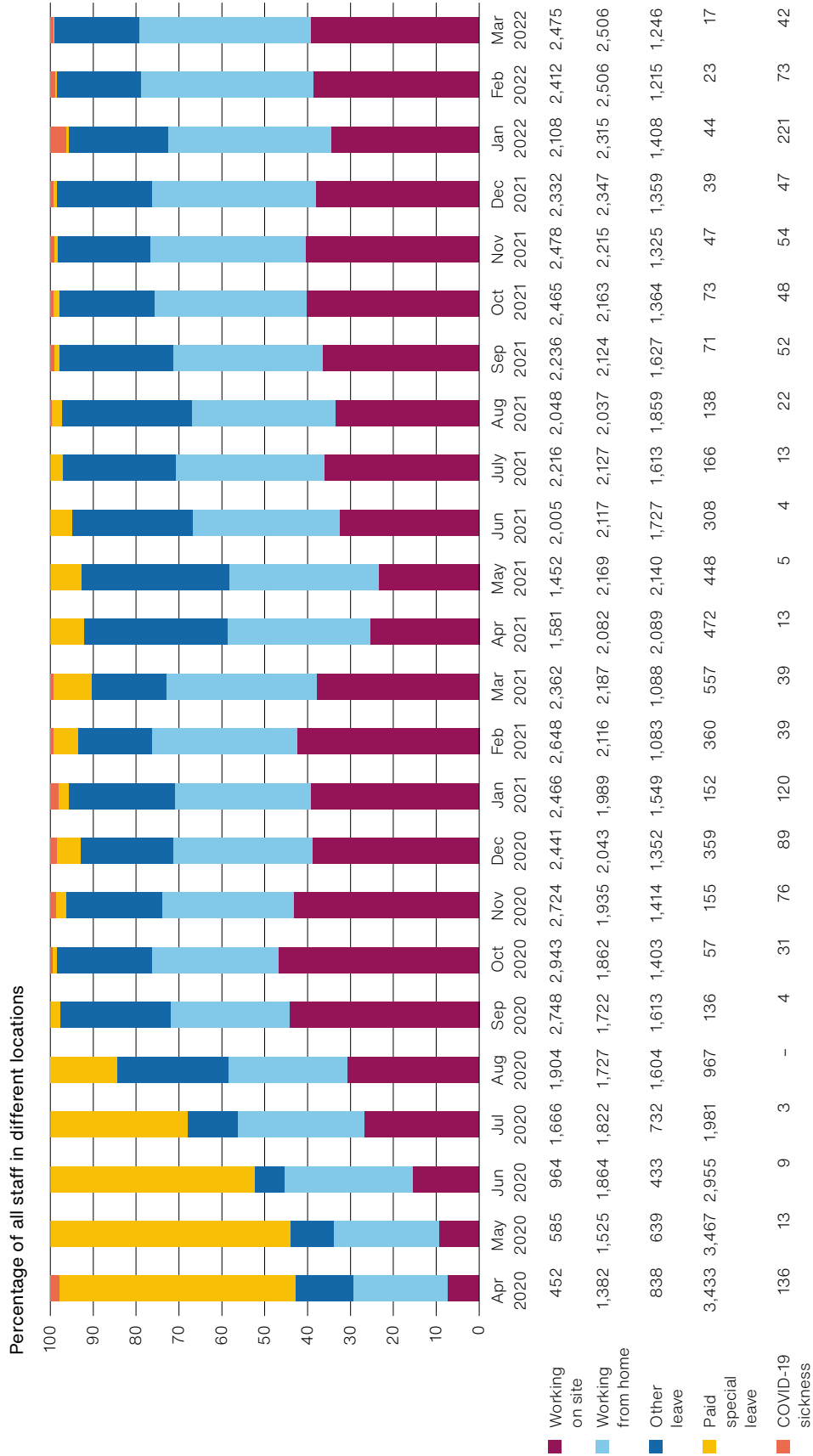
- measures introduced to control the spread of COVID-19; and
- industrial action.

2.22 In March 2020, to comply with COVID-19 restrictions put in place across the United Kingdom, DVLA sent many of its staff home, reducing its onsite workforce capacity (Figure 11). Between early April 2020 and January 2022, employers in Wales were legally required to take all reasonable steps to ensure the two-metre social distancing rule was maintained between people on their premises. DVLA told us that in 2020 it introduced measures to maintain social distancing, including separating floors into zones or social-distancing bubbles within buildings. DVLA also noted in a submission to the Department for Transport that its workforce included many individuals with caring responsibilities and 1,050 people who were vulnerable, including people with an underlying health condition that put them at greater risk of severe illness from COVID-19. It also noted the impact of self-isolation on its workforce in families where more than one family member worked at DVLA, meaning if one person in the household had to isolate, the others also had to.

2.23 During the first lockdown, around half of DVLA's workforce was placed on paid special leave, with the remainder mainly working from home (Figure 11). The number of staff working on site before the COVID-19 pandemic was around 3,300. During the first lockdown from March 2020 the number on site fell to under 1,000 at any one time, up to June 2020. The individuals on site on 1 June 2020 included around 170 staff in the 'input services' area, which processes all paper-based applications (drivers and vehicles), and around 210 working on medical licensing. For comparison, on a similar day in June 2019, DVLA had 480 staff working on medical licensing.

Figure 11
Availability of Driver & Vehicle Licensing Agency (DVLA) staff, April 2020 to March 2022

In April to June 2020, early in the COVID-19 pandemic, around one third of DVLA staff were able to work either on site or from home



- Notes**
- COVID-19 sickness absence is absence due to reported symptoms of COVID-19 or a confirmed positive case within the isolation period.
 - Staff on paid special leave include those unable to work, or work on site, for health reasons or for other reasons, such as caring responsibilities. It also includes people who were required to self-isolate following contact with someone who had tested positive for COVID-19.
 - 'Other' leave is ordinary absences such as annual leave.
 - The data provided are snapshots captured on the first Monday of each month.

Source: National Audit Office analysis of Driver & Vehicle Licensing Agency data

2.24 In mid-2020, DVLA began increasing the number of staff on site and, by September 2020, the number of staff working on driving licences had returned almost to normal. In January and February 2021, in response to new restrictions put in place in Wales, DVLA sent 550 people deemed 'high-risk' home, reducing on site staff numbers, although it told us that many of these people were rapidly able to work from home. By April 2022, the number of staff able to work on site at DVLA's offices was no longer restricted by COVID-19 regulations.

2.25 Between April and August 2021, 58 days of industrial action took place at DVLA. Medical licensing staff took part in industrial action on 33 days in this period, reducing capacity to process applications. DVLA estimates that capacity in the medical licensing area was reduced by around 4% in July 2021 and by around 16% in August 2021 due to the industrial action.

External organisations' ability to provide information for medical licensing decisions

2.26 DVLA frequently requests information from medical professionals, including customers' GPs and hospital consultants, to inform its medical licensing decisions. It does this mainly through paper questionnaires sent to medical professionals that DVLA scans manually into its systems when returned. Official guidance on workload prioritisation issued by the British Medical Association (BMA) and the Royal College of General Practitioners (RCGP) on 23 March 2020 advised GPs to stop responding to information requests from DVLA in recognition of the demand on the NHS and GPs at that time. This guidance was partially revised in April 2020 to advise GPs to respond to information requests in relation to key workers.

2.27 BMA and RCGP issued updated guidance in January 2021, advising GPs to decide on what work to deprioritise based on local circumstances and judgement. The guidance put medical examinations for essential workers into the 'high priority' category, which GPs should aim to continue regardless of the prevalence of COVID-19 for the duration of the pandemic. It puts other DVLA paperwork into the 'lower priority' category, which could be postponed in the event of a high prevalence of COVID-19 in the GP practice's patient population. BMA and RCGP issued further guidance in August 2021 that noted that while DVLA requests for medical information may not be clinically urgent, they might still be important to individuals' wellbeing or livelihoods. The guidance advised GPs to review and reprioritise their workload, using clinical judgement and reflecting both patient need and local circumstances.

2.28 In December 2021, ministers asked DVLA to stop sending requests for medical information to GPs, and GPs were advised to suspend all DVLA checks for four weeks up to 12 January 2022, to divert resources to the COVID-19 vaccine rollout. BMA and RCGP issued further guidance to GPs on 21 December 2021 that placed DVLA information requests for essential workers, such as HGV drivers, in the 'clinical priority' list, but placed requests for information about non-essential workers in a list of areas to consider deprioritising. After 12 January 2022, the advice to GPs reverted to the earlier guidance to prioritise using local discretion.

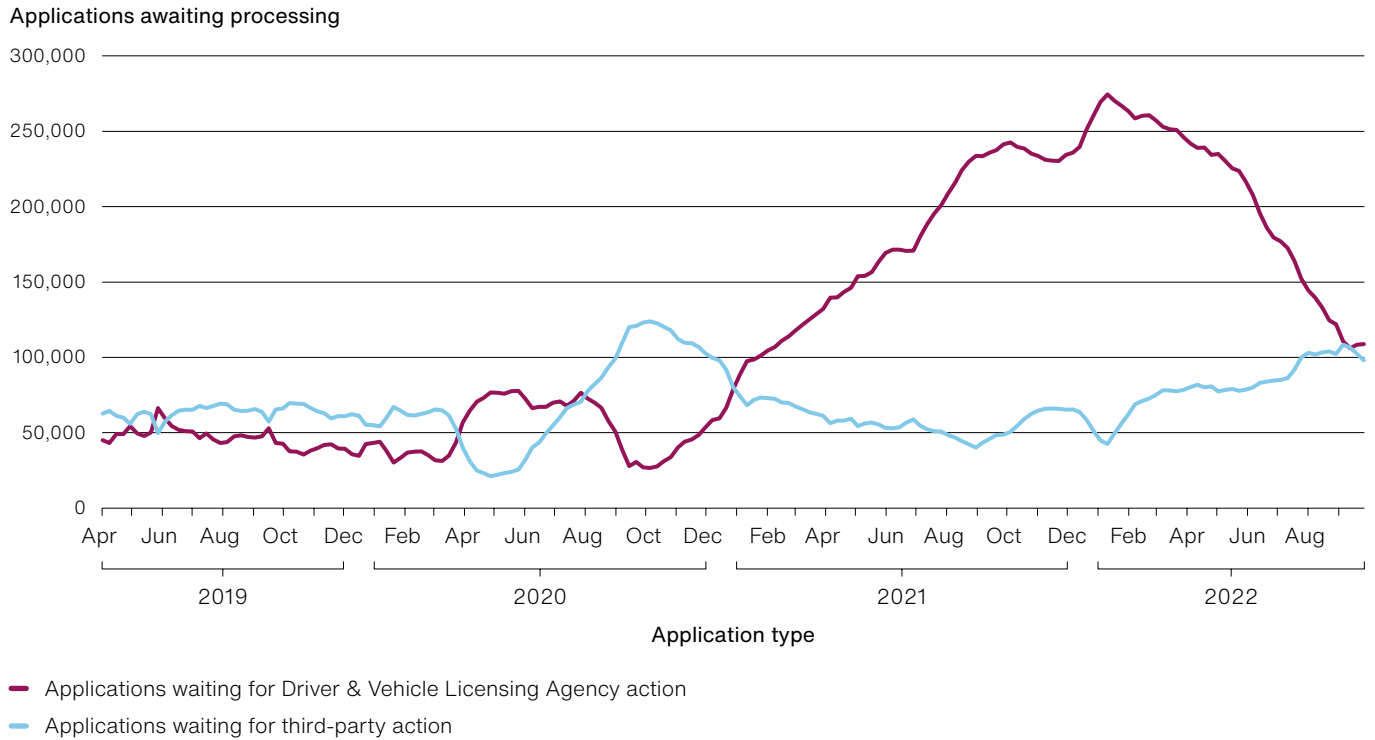
2.29 Although DVLA can access information on how long individual applications have been assigned to a third party for action, its IT systems do not allow it to aggregate such data to generate detailed management information on how long multiple applications have been in this situation. The proportion of medical licence applications marked as 'waiting for a third-party response' has varied since March 2020, from a peak of 82% (124,000) in October 2020 to a low of 13% (43,000) in January 2022 (**Figure 12**).

2.30 DVLA contracts with medical specialists to provide tests for customers with specified medical conditions, such as some vision problems, or drug or alcohol dependency. From March to autumn 2020, such tests were only available for a subset of customers, such as key workers. These contracts continued to operate at a reduced level of service during late 2020 and 2021. The waiting list for a vision test peaked in May 2022 at 46,000 customers and the waiting list for a drug or alcohol test peaked in January 2022 at 21,000 customers. By September 2022, the waiting lists had reduced to 20,000 waiting for a vision test and 15,000 waiting for a drug or alcohol test.

Figure 12

The breakdown of medical licence applications awaiting processing, by type of action needed, April 2019 to September 2022

The number of applications waiting for third-party action peaked at just under 124,000 in October 2020



Note

1 In most cases, after six weeks of no response from a third party, applications are returned automatically to a caseworker to manually issue a reminder letter, so some applications marked as 'waiting for Driver & Vehicle Licensing Agency action' are applications where the main barrier to a decision is a delay on the part of a third party.

Source: National Audit Office analysis of Driver & Vehicle Licensing Agency data

Part Three

The Driver & Vehicle Licensing Agency's actions to manage backlogs in driving licence applications

3.1 This part of the report sets out the key actions the Driver & Vehicle Licensing Agency (DVLA) has taken since February 2020 to mitigate the risk of backlogs emerging and to manage the backlogs that developed in standard driving licence applications and medical licensing decisions.

DVLA's first actions in response to the COVID-19 pandemic

3.2 In February 2020, DVLA undertook an exercise to model the possible impact of the COVID-19 pandemic on its operations. DVLA knew that staff being off site would lead to backlogs in paper-based licence applications. DVLA began to identify potential at-risk staff and develop initial plans to increase home working and increase space in its offices. DVLA did not anticipate the level of sustained disruption from COVID-19 restrictions on its ability to process paper-based applications at its main Swansea site where most of its staff work. Our previous reporting has found government lacked a playbook for many aspects of its COVID-19 response.⁷

3.3 In March 2020, reduced staff capacity on site to process paper-based applications led DVLA to agree with the Department for Transport that between April and June 2020 it would pause work on paper-based applications related to ordinary driving licences, such as photocard licence renewals, as well as other types of paper-based transactions. Instead, it prioritised processing vocational applications, where an individual may not be able to work without a licence. DVLA also prioritised some tasks on site: opening mail and scanning documents to identify priority applications; issuing tax refunds; and sensitive casework including some medical licensing decisions. It also introduced dedicated telephone lines for key workers. As the number of DVLA staff able to work increased, it reintroduced more services but continued to expedite applications from key workers and vocational drivers.

3.4 Starting in April 2020, DVLA rearranged its offices to comply with legal safety requirements in Wales and to free up space for as many frontline operational staff to be on site as possible. For example, it rearranged working areas and installed safety screens in places to reduce the regulation distancing needed. The changes it made to its offices cost £1.2 million in 2020-21.

⁷ Comptroller and Auditor General, *Initial learning from the government's response to the COVID-19 pandemic*, Session 2021-22, HC 66, National Audit Office, May 2021.

3.5 To reduce the backlog of medical licence applications, DVLA is maximising the efficiency of the decision-making process by assigning applications to staff based on their capacity and capability, including their level of experience and the training required to process older, more complex applications. DVLA is working on older applications alongside incoming applications, aiming to balance these two priorities.

Increasing the size of the estate and staff capacity

3.6 In April 2020, DVLA decided that to reduce potential backlogs of paper-based applications it needed to expand the size of its estate to enable more staff to be on site safely. In July 2020, DVLA put forward an outline business case to lease an additional office building in Swansea, recruit up to 600 staff (full-time equivalent basis) on fixed-term appointments of up to 12 months, and make overtime payments to existing staff for three months. The total cost of these actions was forecast to be £33.4 million, including salaries, accommodation costs and £3.9 million of overtime payments to staff working more than their contracted hours.

3.7 In October 2020, DVLA amended its plan as it had not been able to agree the terms of the lease on its chosen building. It found an alternative building with a lower rental cost, although it was smaller than the original choice. DVLA reduced the requirement for new staff to up to 300 staff (full-time equivalent basis) and extended the use of overtime for existing staff. These changes reduced the overall forecast cost of these actions to £20.9 million, including £5 million of overtime payments. It leased its new Swansea office for three years from November 2020.

3.8 In October 2021, DVLA added further elements to its plans to acquire new office space and build staff capacity, aimed at addressing the backlog in medical licence applications. It allocated a floor of its new Swansea office to medical licensing staff, leased an office floor in Birmingham for up to four years, and developed plans to recruit up to 407 staff (full-time equivalent basis), funded until March 2023. It also extended the use of overtime. These changes increased the forecast cost of these actions to around £37 million over four years, comprising around £15 million in salaries, £9 million of overtime payments and around £12 million in accommodation-related costs including leasing and fitting-out the office spaces.⁸

3.9 DVLA has now revised the estimated lifetime costs of these actions down from £37 million to £34 million over four years. Up to September 2022, DVLA had spent £24 million. It has now recruited 362 staff (full-time equivalent basis) of the 407 it budgeted for. DVLA considers the additional office space will provide resilience against any future restrictions.

⁸ Figures do not sum due to rounding.

Actions to reduce the volume of paper-based applications arriving at DVLA

Legislative, policy and process changes

3.10 DVLA has implemented several changes to its policies and operational processes since 2020, aiming to reduce the volume of paper-based applications it receives and processes, and to enable people to continue driving during the pandemic:

- DVLA implemented a legislative change that enabled licence holders to delay renewing their licence until 2021. In June 2020, DVLA automatically extended all photocard licences and driving entitlements that were due to expire between 1 February and 31 August 2020 for seven months from the date of expiry. In September 2020, all licences and driving entitlements that expired between 1 February and 31 December 2020 were automatically extended for 11 months from the date of expiry.
- DVLA implemented another legislative change that enabled vocational licence holders who were unable to arrange a medical examination to obtain a one-year licence. Medical examinations by a doctor are usually required every five years from the age of 45.
- Between September 2020 and January 2022, DVLA ran three publicity campaigns, with a combined budget of £0.7 million, to encourage customers to use its online services instead of applying by paper. DVLA's analysis indicates these campaigns resulted in some increased usage and awareness among customers of its online services.

Digital upgrades

3.11 The number of online driving licence applications fell from 9.5 million in 2019-20 to 7.6 million in 2020-21, increasing to 11.5 million in 2021-22. To reduce the amount of paper it handles and to reduce the need for staff to work on site, DVLA has implemented several new digital initiatives, including:

- bringing forward planned new online access to some DVLA services for drivers and vehicle owners, such as a new online service for provisional driving licence applications;
- introducing an online service for driver tachograph cards in March 2021; and
- enabling staff to work on scanned copies of certain paper documents at home without the need for remote access to sensitive databases.

3.12 In July 2021, DVLA introduced a new online service for provisional driving licence applications. DVLA had planned to start development of this service between 2023 and 2025 as part of Evolve, DVLA's digital update of its drivers' services. This new online system enables customers to upload their own image and signature. This has reduced paper-based applications by around 20,000 per month. In making these digital changes, DVLA has deferred other planned digital developments, such as customer accounts that would allow applications to be tracked.

3.13 Most of DVLA's staff did not have a history of working remotely prior to March 2020. DVLA increased the number of staff able to work remotely during 2020 and 2021, although this did not apply to most staff working on paper-based licensing applications. By the end of 2020, DVLA had issued 700 extra laptops to operational staff, and another 300 in the first six months of 2021, to support more remote working, alongside developing its plans to increase office space and build its staff capacity. The number of DVLA's staff working from home increased from around 1,400 in April 2020 to around 2,000 by December 2020 (Figure 11). However, until August 2021, when DVLA finished upgrading its IT operating systems, operational staff working remotely could not access essential databases securely.

3.14 All driving licence applications contain some personal information and can require customers to send DVLA original identity documents, such as birth certificates and passports. DVLA's senior staff judged that the data security risks associated with staff holding paper copies of personal information at home, potentially including original identity documents, was too high for remote working on paper-based driving licence applications to be possible. They also judged that issuing documents to staff working from home was not logistically possible.

3.15 Most staff working on medical licence applications have never been able to work remotely. DVLA's senior management consider that remote working for operational staff in its medical licensing area presents a higher data security risk than some other operational areas because of the additional risk presented by staff accessing medical information at home unsupervised. Because DVLA had always carried out these applications on site, many of its security procedures were based around physical controls, such as supervision by more senior staff. DVLA told us that by the time it had overcome issues around secure remote access to its systems, it had begun increasing its physical office space sufficiently to reduce the need to introduce home working for medical licensing staff.

Appendix One

Our investigative approach

Scope

1 We conducted an investigation into how the Driver & Vehicle Licensing Agency (DVLA) managed delays in processing driving licence applications and the backlogs that built up from March 2020 due to the COVID-19 pandemic. We examined the scale and nature of the delays and backlogs; their underlying causes; the scale of calls and complaints from customers; and DVLA's actions to manage and reduce the delays and backlogs.

2 We conducted our fieldwork between June and September 2022. While DVLA was our main client, we also interacted with its sponsorship function in the Department for Transport (DfT). We did not examine wider aspects of DVLA's role, such as its handling of vehicle registrations and records, or its collection of Vehicle Excise Duty (VED).

3 We define a backlog as an accumulation of work above normal or acceptable levels which can result from increases in customer demand, reduced organisational capacity to deal with applications, or a combination.

Methods

4 In examining these issues, we drew on a variety of evidence sources.

Interviews

5 We carried out eight online fieldwork meetings with DVLA officials. The main topics covered were:

- overviews of DVLA, its strategy and the driving licensing process;
- the delays and backlogs, and DVLA's response;
- the data and management information available, and any caveats or nuances we needed to account for in using it;
- the operations and performance of the medical licensing area;
- DVLA's complaints and appeals process; and
- DVLA's digital transformation programme.

6 We held one online meeting with DfT officials currently in the sponsor role, to discuss DfT's relationship with DVLA and how DVLA is held to account.

7 In July 2022, we held 1.5 days of face-to-face meetings and site tours with DVLA officials in Swansea, DVLA's main base of operations. The purpose of the visit was to observe the processing of driving licence applications and speak to frontline staff. This included observations of physical paper transactions such as the receipt and sending out of mail. In addition, we carried out interviews and held discussions with a range of DVLA's operational staff, as well as management. We:

- observed the processing of ordinary driving licence applications, including informal discussions with frontline staff;
- observed key aspects of the medical licensing process, including informal discussions with frontline staff, and discussed with managers how they were working to address the backlog in that part of DVLA's business; and
- held discussions with officials working on driving licensing policy, DVLA's recent IT changes and digital transformation programme, management's response to the backlogs, and the medical licensing recovery plan.

8 To identify and select interviewees within DVLA, we followed our contacts' advice on who held the most relevant knowledge. We did not interview service users or medical professionals providing third-party information to DVLA. We used the interviews to identify relevant information and plan other fieldwork.

Document review

9 We reviewed key documents to provide contextual information on how DVLA maintains driving licence records, to understand how its activity in relation to driving licences has been affected by the COVID-19 pandemic, and to review its actions to mitigate the risk of backlogs emerging and manage the backlogs that developed.

10 We reviewed around 200 documents. The main types of document we reviewed were:

- a selection of relevant ministerial submissions, correspondence between ministers and senior DVLA officials, and DVLA executive team papers, to understand actions and decisions. This included business cases and financial reporting relating to the plan to expand the size of its estate;
- process maps, overview papers and publicly available guidance, to present accurate contextual and introductory material;
- management information data, including on resourcing, calls, complaints and appeals, numbers of applications processed, numbers of applications in progress at different points in time, processing times and performance against performance measures, to understand why the backlogs developed and triangulate verbal explanations;

- annual report and accounts, and audit and risk committee papers, for facts on DVLA's finances and governance and context on organisational risks and activities;
- dashboards shared by DVLA with the Department for Transport to track DVLA's performance against its recovery plans, to understand progress against the plans and how DVLA is being held accountable by the Department for Transport;
- Transport Select Committee transcripts, and some correspondence to DVLA in relation to DVLA's COVID-19 safety measures;
- publicly available reports from the DfT independent complaints assessor and the Parliamentary and Health Service Ombudsman, and the 2014 review of DVLA, to compare our findings to those of other external reviewers;⁹ and
- written responses to our questions on factual points of detail, to triangulate information we heard in interviews and test hypotheses.

Quantitative analysis

11 We analysed data provided by DVLA to conduct quantitative analysis to understand:

- the scale of DVLA's work, including the number of transactions conducted before and during the COVID-19 pandemic;
- the key dates and periods when levels of activity were different to pre-pandemic levels; and
- the scale of the backlogs and amount of work in progress.

Our analysis was triangulated to interview and documentary evidence. It also supported findings on causes of the backlog and DVLA's actions during the subsequent recovery.

12 Most of the data we present are drawn from DVLA's internal management information, meaning they are not automatically subject to the same quality checks as official statistics or audited accounts. We have not audited the underlying systems producing these data. The data were produced by DVLA's central management information team in October 2022.

9 Department for Transport, *A Review of DVLA*, February 2014.

13 One dataset we used throughout the report was a summary of monthly applications by business area and application type. This measures the point at which a task is completed, that is to say, a record is updated or an application is passed to a different department. The data are automatically counted by the case management system. Because the processing times for digital applications have remained short since 2018-19, we also used the number of digital applications DVLA has completed as a proxy measure for the number of digital applications it has received. We have applied adjustments to these data, meaning our totals are different to the figures in the DVLA Annual Report and Accounts. We defined 'driving licence applications' as all transactions relating to driving licence records that can lead to a new licence being issued, work on the part of DVLA front line staff, or a change to a driver's record. For example, applying for a first licence, renewing an existing licence, updating personal details, and advising DVLA of the development of (or changes related to) a relevant medical condition. We also included applications for tachograph cards, which some drivers need in addition to a vocational driving licence to work legally. We excluded digital enquiries for driver or vehicle records on the understanding that these are fully automated, so they do not affect the workload of frontline staff. We also separated out medical licence applications to create a 'standard' category of applications with no medical element. Finally, we re-categorised online applications where customers also needed to submit paper documents from the online category to the paper-based category.

14 Another dataset used throughout the report is 'applications in progress' data for standard, ordinary and vocational applications and for medical licensing decisions. The data are snapshots from one day of the week. DVLA told us the number of applications in progress is subject to seasonal fluctuations.

15 For the medical licensing decisions data, we also had a breakdown between applications waiting for DVLA action and applications waiting for third-party action. In most cases, after six weeks of no response from a third-party, applications are returned automatically to a caseworker to manually issue a reminder letter, so some applications marked as 'waiting for DVLA action' are those where the main barrier to a decision is a delay on the part of a third party.

16 In some parts of the report, including paragraph 2.5 and Figure 5, we use performance data focusing on the number of applications processed within a set number of days. DVLA excludes some categories of application from this measure, including applications which do not result in a new licence being issued (such as changes to penalty points on a driver's record), applications with a medical element, and applications that fail digital validity checks. This means that the numbers of applications presented in the context of performance reporting may not sum to the total number of driving licence applications for the same period presented elsewhere in this report.

Other datasets included:

- DVLA's staff numbers (full-time equivalent and headcount), broken down either by business area or by availability;
- volume of mail received by DVLA. Volume is not an exact match to the number of new applications, as one item of mail can contain multiple applications and not all mail received will generate a new application;
- customer calls data, for calls relating to drivers' records and driving licences only. The number of unanswered calls as presented is higher than the number of individual customers whose calls were not answered, as each call (answered or unanswered) is counted separately and some customers will have called repeatedly;
- number of complaints by date received, business area and source category, for example direct customer complaints, or complaints via MPs. The 'MP' category includes complaints which have come via MPs and complaints sent directly to ministers; and
- data on the number of days of industrial action and the number of staff in different areas who took part.

17 Unless otherwise stated, all financial data are in nominal terms and all averages are arithmetic means. We present data starting in January 2020, to provide a comparison between the events before the COVID-19 pandemic with events after the start of the pandemic. In some instances we present earlier data to provide a comparison to historical performance.

Appendix Two

Timeline of key events

- 1 See **Figure 13** on pages 50 and 51.

Figure 13

A timeline of key events relating to the Driver & Vehicle Licensing Agency (DVLA) and the COVID-19 pandemic, February 2020 to September 2022

As DVLA is based in Wales, it was subject to legal restrictions put in place by the Welsh Government

Date	Event
28 Feb 2020	The first COVID-19 case in Wales is confirmed.
16 Mar 2020	Advice is released that if a member of a household has a new continuous cough or high temperature the whole household should self-isolate for 14 days.
18 Mar 2020	DVLA sends some staff to work from home, mainly in finance, HR, policy, communications, commercial and IT.
23 Mar 2020	First Welsh lockdown, as part of the national lockdown, begins.
24 Mar 2020	Those who are identified as extremely vulnerable to COVID-19 are told to shield.
30 Mar 2020	A rota system is introduced to reduce the number of individuals on site.
8 May 2020	First lockdown is extended for a further three weeks in Wales.
1 Jun 2020	Contact tracing rolls out, where those who test positive for COVID-19 provide details of close contacts. Close contacts are then contacted and asked to self-isolate for 14 days.
Jun 2020	Estate buildings re-arranged to allow more people to return while maintaining social distancing measures.
4 Jun 2020	First extension of expired photocard licences. Licences which expired between 1 February 2020 and 31 August 2020 are granted a seven-month extension from the date of expiry.
30 Jul 2020	Self-isolation period is extended from seven to 10 days for people who are symptomatic or have a positive COVID-19 test result.
1 Sep 2020	Second extension of expired photocard licences. Licences which expired between 1 February 2020 and December 2020 are granted an 11-month extension from the date of expiry.
Sep 2020	Local lockdowns are put into place across some areas in Wales, including Swansea.
19 Oct 2020	The Welsh Government announces a second, short-term 'firebreak' lockdown.
10 Dec 2020	Regulations change in Wales. A person identified as a close contact with someone who has who tested positive for COVID-19 must now isolate for 10 days instead of 14.
20 Dec 2020	Third Welsh lockdown begins.

Date	Event
Jan 2021	DVLA opens a new building in Swansea.
11 Mar 2021	Trade Union announces the strike vote result, and industrial action over the following six months.
5 Aug 2021	The Welsh Government announces that Wales will move to alert level 0 from 7 August 2021. Adults who are fully vaccinated are no longer required to self-isolate if they are identified as close contacts of someone who has tested positive for COVID-19.
29 Oct 2021	Fully vaccinated adults in Wales are asked to self-isolate until they receive a negative PCR test, if a member of their household has symptoms or tests positive for COVID-19. Following a contact with someone who has tested positive for COVID-19, people who are not vaccinated, must self-isolate for 10 days.
27 Nov 2021	The first cases of the Omicron variant of COVID-19 are identified in the UK.
22 Dec 2021	The Welsh Government announces a move to alert level 2 of COVID-19 restrictions that will begin on Boxing day.
23 Dec 2021	Adults who are fully vaccinated who are identified as a close contact of someone who has tested positive for COVID-19 will no longer have to self-isolate.
30 Dec 2021	The isolation period for those testing positive is reduced to seven days. People who test positive should also take a lateral flow test on day six and another 24 hours later.
25 Jan 2022	The period of self-isolation is reduced to five days on the condition that the person receives a negative test on two lateral flow tests.
28 Jan 2022	Wales moves to alert level 0 of COVID-19 restrictions.
Jan 2022	Birmingham office opens.
24 Feb 2022	In England, all remaining domestic restrictions are lifted.
18 Apr 2022	Businesses and organisations are no longer required to undertake specific COVID-19 risk assessments.
27 May 2022	It is announced that the remaining COVID-19 restrictions in Wales will end from 30 May.
20 Jul 2022	A change in the law to allow a greater number of healthcare professionals to complete medical questionnaires comes into effect.

□ National event

□ DVLA event

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National Audit Office

Design and Production by NAO Communications Team
DP Ref: 012279-001

£10.00

ISBN 978-1-78604-453-2



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