



National Car Testing Service

Annual Review 2015

June 2016

Údarás Um Shábháilteacht Ar Bhóithre
Road Safety Authority

Table of Contents

1 Introduction	3
2 Operational Audit	9
3 Observed Test Inspections	13
4 Customer Satisfaction Survey	16
5 Complaints and Appeals	19
6 Performance Management	21
7 Financial Matters	24
Conclusions	27

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1 Introduction

General

Periodic roadworthiness testing of passenger cars and commercial vehicles is mandatory in all Member States of the European Community, in accordance with Directives 2009/40/EC and 2010/48/EU. Applus Car Testing Service Ltd (ACTS), a member of the Applus+ Group, is responsible for the operation of the National Car Testing Service (NCTS) in Ireland. It operates under a Project Agreement with the Road Safety Authority (RSA) by which it has been granted the exclusive right to provide the service for 10 years until 2019.

The National Car Test (NCT) in Ireland has now been in place for 16 years and is compulsory for cars over 4 years old. It is aimed primarily at improving road safety and enhancing environmental protection by providing an independent assessment of the roadworthiness and emissions level of cars at regular intervals throughout their life.

The NCT was conducted at 47 purpose built test centres nationwide during 2015. Additional test lanes at Mullingar, Naas, Portlaoise and Enniscorthy test centres were commissioned in 2015.

NCTS is required to provide very high standards of customer service, in line with acceptable performance standards set out in the Project Agreement. These are monitored regularly on behalf of the Road Safety Authority, by the Supervision Services Contractor (SSC) (a consortium drawn from PricewaterhouseCoopers and the Automobile Association).

This report reviews the operation and performance of NCTS during 2015, against the performance standards set out in the Project Agreement.

Summary

The overall throughput of vehicles and pass/fail rates for the National Car Testing service in 2015 is summarised in the table below. This shows that 48.94% (48.13% including failure for non-presentation of ID) of vehicles obtained test certificates on first test. This was slightly lower than the equivalent rate for 2014, which was 49.11%. 86.26% of re-tests requiring use of the test lane (brakes, headlamps, emissions etc.) obtained a test certificate compared with 86.33% in 2014. 99.49% of non-lane re-tests gained test certificates, compared with 99.46% in 2014.

Table 1.0 Year 2015 Annual Throughput of Vehicles

Total Tests	Pass		Pass Advisory		Visual Fail		Visual Fail Dangerous		No ID		Fail / Refusal		Fail /Dangerous		Total
	No. of Full Tests	%	No. of Lane Re-Tests	%	No. of Lane Re-Tests	%	No. of Lane Re-Tests	%	No. of Lane Re-Tests	%	No. of Lane Re-Tests	%	No. of Lane Re-Tests	%	
No. of Full Tests	502,343	33.67%	215,821	14.46%	251,754	16.87%	653	0.04%	12,150	0.81%	504,679	33.82%	4,779	0.32%	1,492,179
No. of Lane Re-Tests	280,108	56.66%	144,617	29.25%	14,800	2.99%	72	0.01%	1,709	0.35%	52,153	10.55%	898	0.18%	494,357
No. of Non Lane Re-Test	168,752	61.74%	103,144	37.74%	1,367	0.50%	20	0.01%	35	0.01%	1	0.00%	0	0.00%	273,319
Total	951,203	42.09%	463,582	20.51%	267,921	11.86%	745	0.03%	13,894	0.61%	556,833	24.64%	5,677	0.25%	2,259,855

Source: NCTS dashboard

* Note: Pass advisory category introduced in 2010 for warnings on tyre tread depth and registration plate illumination.

* Note: No ID category introduced in May 2012, when presentation of ID became mandatory.

Table 1.1 details the percentages of pass, fail and fail dangerous full tests across all test centres.

Table 1.1: Annual throughput of vehicles for test centres

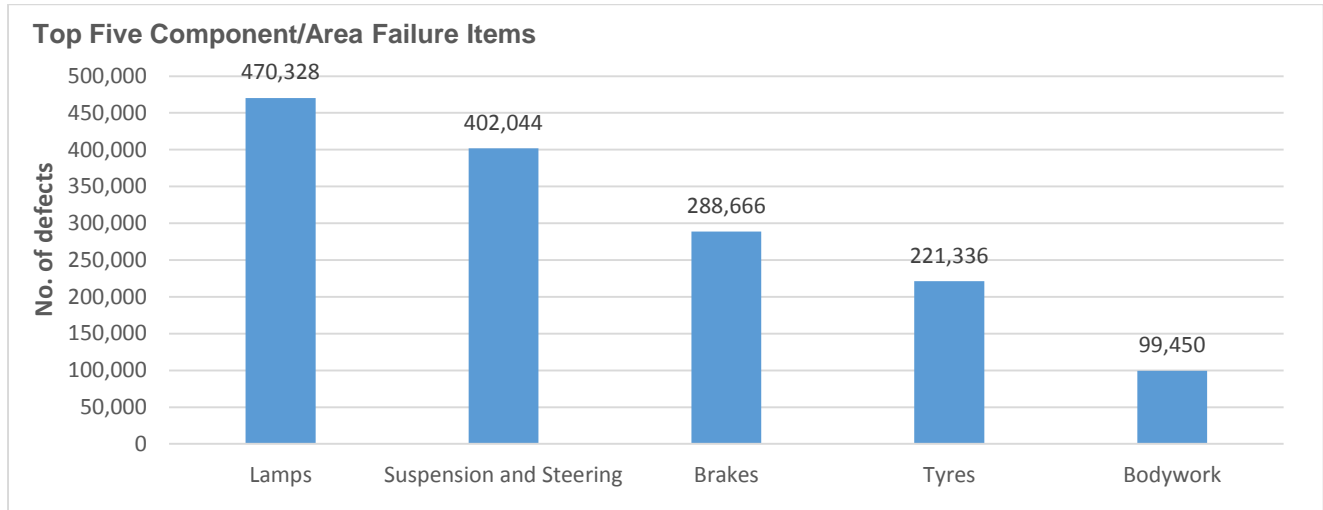
Test Centre	Passes		No ID		Fails		Fail Dangerous		Total
	Number	%	Number	%	Number	%	Number	%	
Abbeyfeale	8,523	51.9%	119	0.7%	7,743	47.1%	39	0.2%	16,424
Arklow	14,380	49.0%	202	0.7%	14,696	50.1%	81	0.3%	29,359
Athlone	8,859	48.8%	185	1.0%	9,047	49.8%	74	0.4%	18,165
Ballina	8,487	47.2%	161	0.9%	9,296	51.6%	56	0.3%	18,000
Ballinasloe	7,226	51.3%	105	0.7%	6,738	47.8%	30	0.2%	14,099
Cahir	15,644	49.6%	241	0.8%	15,565	49.4%	74	0.2%	31,524
Cahirciveen	1,910	50.5%	20	0.5%	1,846	48.8%	7	0.2%	3,783
Carlow	13,504	44.9%	207	0.7%	16,263	54.0%	132	0.4%	30,106
Carndonagh	3,652	48.1%	94	1.2%	3,797	50.0%	48	0.6%	7,591
Carrick-on-Shannon	5,960	45.7%	77	0.6%	6,985	53.5%	31	0.2%	13,053
Castlerea	6,935	45.4%	113	0.7%	8,172	53.5%	57	0.4%	15,277
Cavan	6,973	42.8%	110	0.7%	9,155	56.2%	57	0.3%	16,295
Charleville	8,520	47.5%	100	0.6%	9,257	51.7%	45	0.3%	17,922
Clifden	1,703	36.2%	31	0.7%	2,962	62.9%	13	0.3%	4,709
Cork-Blarney	21,741	46.5%	382	0.8%	24,416	52.3%	176	0.4%	46,715
Cork-Little Island	39,589	52.0%	664	0.9%	35,607	46.8%	266	0.3%	76,126
Deansgrange	53,870	54.0%	1,103	1.1%	44,538	44.6%	320	0.3%	99,831
Derrybeg	2,570	42.8%	55	0.9%	3,367	56.1%	11	0.2%	6,003
Donegal	5,847	50.2%	124	1.1%	5,641	48.4%	38	0.3%	11,650
Drogheda	18,830	50.9%	327	0.9%	17,687	47.8%	165	0.4%	37,009
Dundalk	10,664	45.3%	211	0.9%	12,571	53.4%	116	0.5%	23,562
Ennis	15,182	46.0%	266	0.8%	17,347	52.6%	187	0.6%	32,982
Enniscorthy	17,123	46.8%	274	0.7%	19,031	52.0%	189	0.5%	36,617
Fonthill	41,683	44.5%	798	0.9%	50,851	54.2%	403	0.4%	93,735
Galway	27,362	44.9%	455	0.7%	32,976	54.1%	188	0.3%	60,981

National Car Testing Service SSC Annual Report 2015

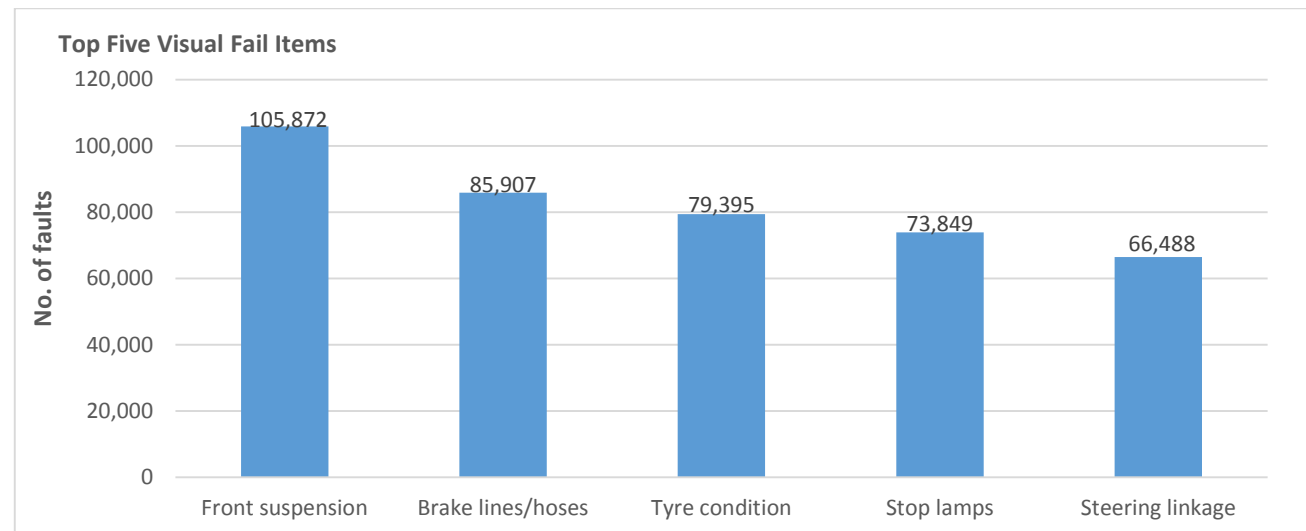
Greenhills (Exit 11,M50)	35,403	47.6%	797	1.1%	37,912	51.0%	218	0.3%	74,330
Kells	15,588	45.9%	289	0.9%	17,962	52.8%	157	0.5%	33,996
Kilkenny	15,930	55.3%	207	0.7%	12,589	43.7%	96	0.3%	28,822
Killarney	11,149	56.0%	104	0.5%	8,575	43.1%	66	0.3%	19,894
Letterkenny	10,210	43.9%	175	0.8%	12,800	55.0%	86	0.4%	23,271
Limerick	25,030	47.9%	431	0.8%	26,654	51.0%	143	0.3%	52,258
Longford	6,270	41.5%	109	0.7%	8,661	57.4%	57	0.4%	15,097
Macroom	9,022	52.9%	72	0.4%	7,871	46.2%	79	0.5%	17,044
Monaghan	5,441	37.1%	159	1.1%	9,019	61.5%	50	0.3%	14,669
Mullingar	9,344	44.7%	183	0.9%	11,259	53.8%	136	0.7%	20,922
Naas	23,217	45.7%	300	0.6%	27,089	53.3%	244	0.5%	50,850
Nenagh	12,867	47.5%	208	0.8%	13,923	51.4%	76	0.3%	27,074
Northpoint 1 (Exit 4, M50)	31,230	45.9%	532	0.8%	36,106	53.0%	226	0.3%	68,094
Northpoint 2 (Exit 4, M50)	43,274	46.6%	677	0.7%	48,632	52.4%	266	0.3%	92,849
Portlaoise	14,341	55.0%	170	0.7%	11,446	43.9%	117	0.4%	26,074
Skibbereen	7,959	47.2%	84	0.5%	8,762	51.9%	67	0.4%	16,872
Sligo	9,498	45.4%	152	0.7%	11,212	53.6%	63	0.3%	20,925
Tralee	13,705	56.2%	206	0.8%	10,408	42.7%	58	0.2%	24,377
Tullamore	11,839	52.1%	150	0.7%	10,659	46.9%	81	0.4%	22,729
Waterford	21,027	51.1%	391	0.9%	19,565	47.5%	194	0.5%	41,177
Westport	11,029	48.8%	187	0.8%	11,327	50.1%	52	0.2%	22,595
Youghal	8,054	48.1%	143	0.9%	8,448	50.5%	97	0.6%	16,742
Grand Total	718,164	48.1%	12,150	0.8%	756,433	50.7%	5,432	0.4%	1,492,179

Top Component/Vehicle Failure Items

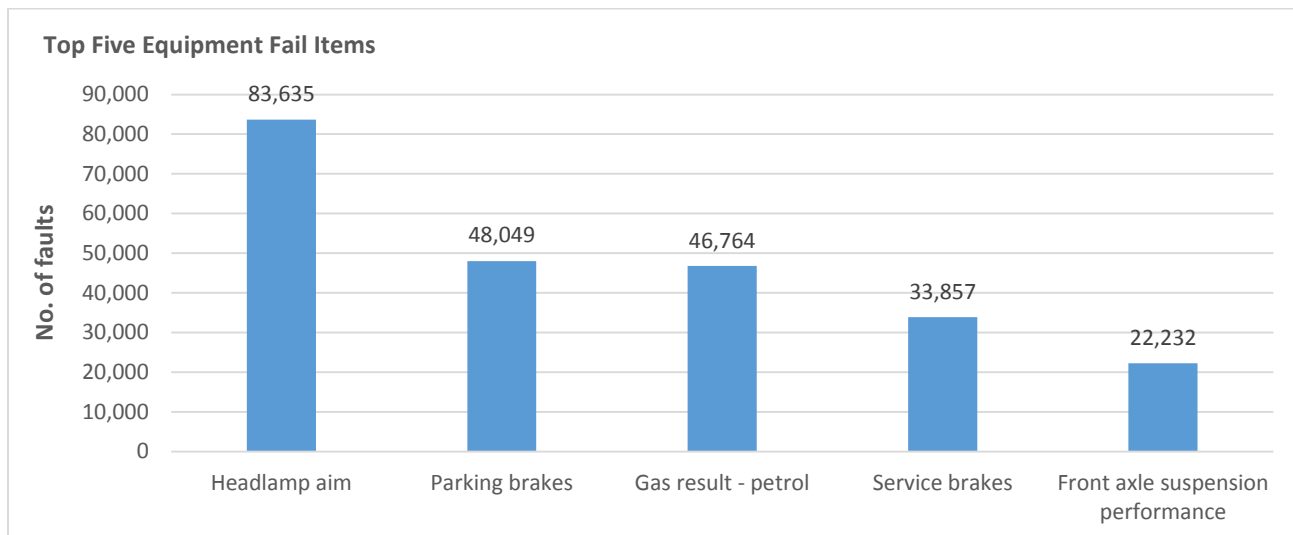
In 2015, the top five component/area failure items were:



In 2015, the top five visual failure items were:



In 2015, the top five equipment failure items were:



Customer Satisfaction Results

Overall, the NCT achieved the agreed performance standard for customer satisfaction for the year. The overall level of satisfaction was higher than in 2014. This is discussed further in section IV.

Customer perception was captured through a survey of vehicle owners whose car had been tested throughout 2015. The CPI (customer performance index) for 2015 was 84.6, which was an increase of 1.8 on 2014. The CPI has continually exceeded the score of 80 set out in the Customer Charter.

Throughout the year, 1,563 complaints were received, representing 0.07% of people using the service. This was an increase on the 1,029 complaints recorded in 2014, though is comfortably within the target of 0.2% of tests carried out.

Overall Performance

2015 was the sixth year of operation since ACTS took over responsibility for delivering the NCTS. The inclusion of non-compliance with NCT requirements in the Fixed Charge System and related awareness campaigns from October - December 2014 caused a significant increase in demand for testing in the first and second quarters of 2015. ACTS is required to provide customers with a test appointment within 28 days of being contacted. The excess demand over slot availability in quarter 1 hindered ACTS' ability to meet this standard in all cases. As a result, a number of customers who were delayed beyond 28 days were given a free test to compensate for their inconvenience.

While ACTS had increased staffing levels in quarter 4 2014, in anticipation of an increase in demand for testing, they failed to anticipate fully the extent of improvement in compliance levels that resulted from the change in enforcement processes. As a result the waiting list levels, rose to levels higher than in previous years and the service was under pressure to meet demand during the first half of the year.

When it became apparent that the service was being challenged to meet demands, the Authority worked closely with ACTS to minimise any adverse impact on the service.

As a result, a number of short term measures had to be introduced to cope with demand. These included extra overtime working, the recruitment of additional vehicle inspectors, deployment of staff on a temporary basis to particular 'hotspots' and extending opening hours at test centres (a number of test centres performed 24 hour testing). Where testing fell behind schedule, this also had a knock on effect on the performance of the call centre, which required additional staffing and telephone lines to enable it to cope.

Progress was monitored by SSC and the Authority on at least a weekly basis, until the backlog of testing was cleared in mid-year.

The remainder of this report sets out, in more detail, the performance of NCTS in relation to the key performance measures.

2 Operational Audit

Methodology

The operational audit consists of regular reviews of all aspects of test centre operations against a wide-ranging set of criteria summarised within:

- Customer Services and Facilities,
- People Processes and Technology; and
- Observed and Independent testing.

Performance is reviewed at headquarters and at test centres and some service aspects are tested in specific quarters once a year where there is no change expected during the year. All aspects of the service are scored in relation to the requirements of the Project Agreement, supported by individual test centre and headquarter audit reports. The weighted scores are consolidated on a monthly and quarterly basis. Areas of necessary improvement are communicated by the SSC to the Authority by way of written reports and discussions as the situation requires and to NCTS at regular review meetings.

Table 2.0 below summarises the operational audit scores for 2015 based on the results of inspections at headquarters and individual test centres (approximately 30 test centres chosen at random each month). The overall performance score was 96.5% which is a decrease on 2014 (97.2%). However, once again the service has exceeded the standard of 90% as defined in the Project Agreement.

Table 2.0 Operational Audit Scores for 2015

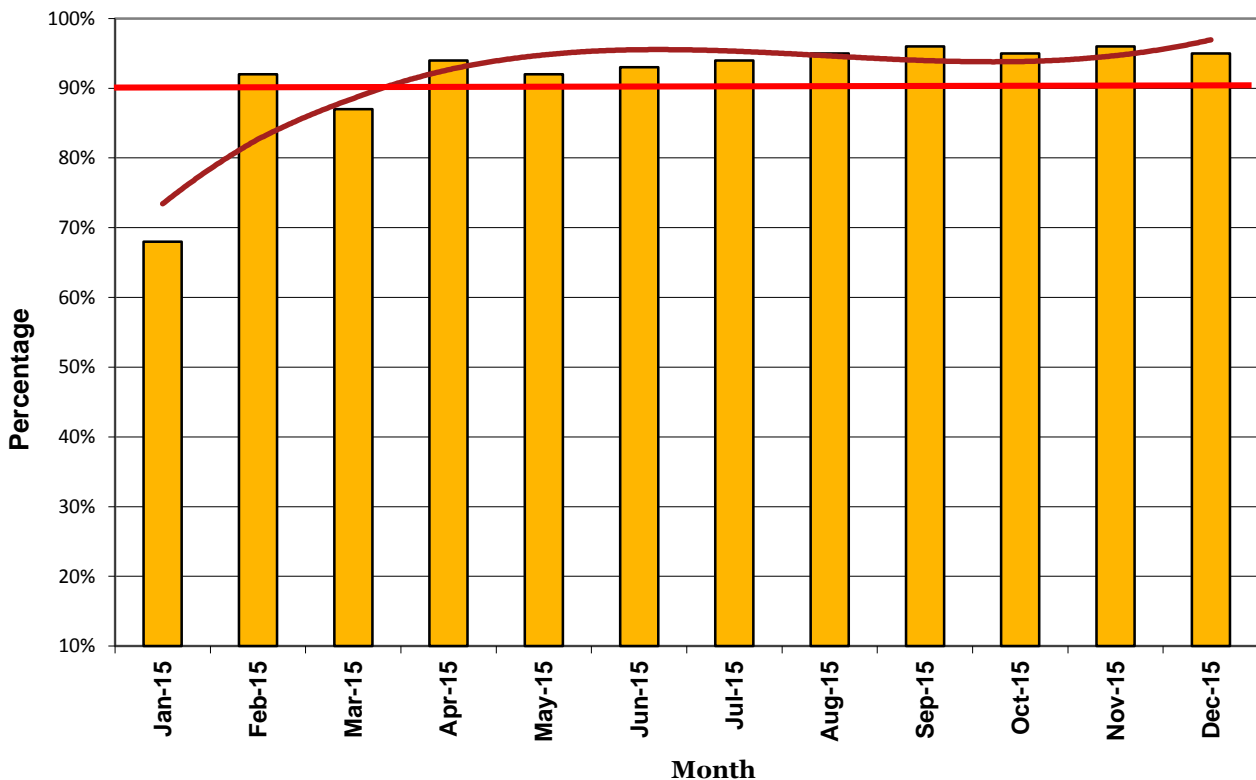
Weighting	Area	2015	2014
465	Headquarters Specific Criteria:	97.1%	97.8%
535	Test Centres Specific Criteria:	95.9%	96.7%
1,000	Total weighted score	96.5%	97.2%

Section A - Headquarters Review

Call Centre

Overall, the call centre met the service level for the year of 90% of calls answered within 15 seconds. This compared with 89% for 2014. Attributable to the introduction of fixed charge penalty points for not having a valid NCT, the required performance level was not achieved in January and March, as call volumes increased substantially above planned levels. Following significant investment in additional telephone lines and call centre staff, performance improved substantially from February onwards and continued to meet or exceed the standard required for the remainder of the year.

Chart 2.0 Percentage of calls answered within 15 seconds per month



Annual figures for call centre performance showed that the company received approximately 2.22 million calls, which was a decrease of approximately 170k, or 7.1%, compared with 2014. 60% of calls were received in the first half of the year, compared with the proportion in the prior year (54%). This reflects the higher volumes of tests undertaken in the first half of the year but also the increase in bookings made via the web in the latter part of 2015.

Internet booking transactions accounted for approximately 50% of transactions during the year. This was a large increase from 32% in 2014, and 31% in 2013. During 2015, 88.5% of full tests were confirmed by SMS, compared to 87% in 2014 and 86% in 2013.

Waiting times for Bookings

Lead-times for tests and retests and waiting times at test centres are monitored monthly and quarterly. In addition, evidence is sought regularly that effective procedures for handling complaints, appeals and general correspondence are in place.

In early 2015, demand for the service, particularly from a large number of owners whose car was overdue its test, rose above its normal seasonal high. As a result, it was necessary, to a greater extent than normal, to hold applications for tests on a waiting list, before incorporating them within the appointment booking system. At this time, it became clear that the method of measurement of waiting times for bookings did not fully reflect customer experience during this busy period as

it did not include time spent on the waiting list. As a result, a change was made to the overall method of measurement of this performance area in Quarter 3 2015, to take better account of any time that an appointment request remains on the waiting list before confirmation of such appointment. The waiting times for some customers in Q1 and Q2 exceeded the 28 day target, for which they were compensated by receipt of a free test.

Over the second half of the year, the lead time averaged 8.6 days. This compared with the average of 11.8 days during 2014. The required service level standard is an average waiting time of 14 days.

Overall, the lead-time for retest appointments met the required service standard of 7 days. The average lead-time for booking retests was approximately 3.0 days (3.5 days in 2014).

NCT is required to keep average waiting times at test centres below 30 minutes, when vehicles are presented for testing. The overall average waiting time was 2.6 minutes which was slightly lower than the average waiting time of 2.9 minutes in 2014. 101 vehicles were kept waiting longer than 1 hour compared with 153 vehicles in 2014.

Staffing and HR

Overall staffing levels which include headquarters staff, test centre and call centre personnel, increased from 789 in December 2014 to 886 in December 2015. Recruitment programmes for vehicle inspectors (VIs) were ongoing throughout 2015. Approximately 70 new VIs had been recruited for planned deployment in January and February 2015 in anticipation of increased seasonal demand in the first half of 2015. The number of VIs and team leaders (including those working on the third shift) rose from 536 in December 2014, to 614 in December 2015, where a recruitment of approximately 30 VIs took place in quarter 4, in anticipation of a further increase in demand in early 2016. An additional 30 telephone lines were deployed in the call centre in January 2015. The call centre headcount fluctuated during the year in line with call volumes, peaking at 108 full time equivalent staff in January, before reducing to approximately 69 by the end of the year.

Annual training of all vehicle inspectors took place in September 2015. This training covered elements of the test process and test equipment, and an assessment of each inspector was conducted. Further training was provided throughout the year as new vehicle inspectors were recruited and inducted. In addition, specific training courses were provided, including occupational first aid training, and Health and Safety training, as well as training for call centre staff.

During the year, ACTS had all new recruit and requalification training assessed by City & Guilds, for which they previously had gained accreditation.

Information Systems and Management Information Processes

The ACTS 'dashboard' system is an integrated application which is used for all elements of car testing including telephone, web and other bookings, test administration and reporting.

Section B - Test Centre Review

Independent inspections take place at each test centre, on an unannounced basis. In total 391 such inspections took place in 2015. Overall, the NCTS test centres achieved the standard required as measured through the operational audits. During these inspections, the condition of the premises and the availability and quality of the test centre equipment were checked, as well as the attitude and presentation of staff. Vehicle inspectors' performance was also monitored and graded.

Premises

The service is required to be delivered from premises that are accessible to customers and fit for purpose. Generally, the company maintained the fabric of the premises to the expected standard during the year. In response to the capacity challenges experienced in the service in the early part of 2015, ACTS brought forward proposals to increase overall network capacity, through additional test lanes across the network in new and expanded test centres. Work on these projects was on-going at the end of 2015.

Test Equipment & IT

During the regular inspections of all test centre premises, the availability and quality of the test centre equipment was checked. The scores for individual test centres against this criterion were gathered and reviewed and a number of minor aspects drawn to the attention of management. These were rectified accordingly.

A key aspect of ensuring the accuracy of testing is to carry out regular consistency checks on all test equipment. Consistency checks were carried out quarterly during the year, with SSC engineers accompanying NCT regional technical staff on the September checks.

Test Arrangements and Customer Service

The quality of customer service is measured against a number of different criteria, by means of a telephone survey of approximately 1,000 people who have recently had their cars tested, spread into 4 quarterly groups. A customer performance index (CPI) is used as an aggregate index of performance based on the aspects of service considered by customers to be most important. The overall CPI score for 2015 was 84.6 and was the highest score since this contract commenced, compared with a score of 82.8 in 2014 and 83.5 in 2013. The score exceeded the 80 index points as required within the contract. The results of the survey are discussed further under section 4 of this report.

Observed Tests

A key aspect of the operational audit process is an assessment of the quality of work carried out by vehicle inspectors. During the year some 2,522 vehicles were observed while they were being tested. A further 519 vehicles were rechecked by SSC engineers following completion of their tests.

The quality of inspection was maintained to a high standard and this was reflected through the vehicle inspector (VI) scores, averaging 9.84 out of 10 for 2015. Any areas of concern raised during the observations were pointed out to local management for corrective action by ACTS. This important criterion, directly impacting the quality of testing is discussed further in section 3.

3 Observed Test Inspections

Methodology

The methodology for observing test inspections independently is based on a random selection of test centres and vehicle inspectors for unannounced inspection visits. In addition, targeted inspections take place at test centres which are deemed to be at higher risk.

Vehicle inspectors are observed carrying out full tests, with SSC engineers observing their attention to the inspection sequence and their effectiveness in identifying faults. They also assess whether or not any anomalies found would have changed the outcome of the test result. During 2015 some 2,522 vehicle tests were observed by the SSC team. A further 519 independent rechecks were undertaken during the year.

The following table sets out a summary of the number of test centres, test lanes, vehicle inspectors and vehicle tests were observed. On average, vehicle inspectors were observed carrying out 3 or 4 tests, throughout the year.

It should be noted that, for a strict statistical comparison with prior year results, only the random element of the observed and independent inspections would be included in the analysis. However, the overall results are not materially different from the random only results and reflect the outcomes of the full complement of inspections carried out.

Table 3.0 Test Centres, Test Lanes, Vehicles Inspectors Observed in 2015

2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
No. of Test Centres	32	29	44	33	35	32	34	32	29	33	25	33	391
No. of Test Lanes	68	62	87	64	76	71	68	63	68	69	59	70	825
No. of Vehicle Inspectors observed	149	128	191	136	158	138	163	130	137	115	134	126	1,705
No. of Vehicles	215	176	276	203	224	202	208	201	209	185	218	205	2,522

The results of the observed tests are communicated to the local supervisor/team leader at the time of the review and to ACTS senior management on a monthly basis. In line with the methodology used in prior years, on the occasions where more than one test is observed for a vehicle inspector, the lowest score is recorded.

For the year as a whole, some 2,522 observations were made:

- There were 20 incidences (1.2%) incidences of vehicle inspectors scoring zero due to failing to identify a 'major' item or at least 6 'minor' items, compared with 38 incidences in 2014 (2.4%) and 59 in 2013 (3.6%);
- No vehicle inspectors scored 3 (omitted 5 minor items), compared with none in 2014 and none in 2013;
- 19 vehicle inspectors scored 6 (omitted up to 4 minor faults), compared with 10 in 2014 and 13 in 2013;
- No vehicle inspector scored 9 (omitted up to 2 faults), compared with none in 2014 and none in 2013; and
- 97.7% of vehicle inspectors audited scored maximum points, compared with 2014 and 2013 outcomes of 97.0% and 95.6% respectively.

Table 3.1 Vehicle Inspector Performance Rating for 2015

Category	Score	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Very Good (0 faults omitted)	10	148	125	186	132	155	131	162	127	135	111	132	122	1,666
Good (<=2 faults omitted)	9	0	0	0	0	0	0	0	0	0	0	0	0	0
Adequate (<=4 faults omitted)	6	1	1	5	2	1	3	0	1	1	0	1	3	19
Poor (5 minor items omitted)	3	0	0	0	0	0	0	0	0	0	0	0	0	0
Unacceptable (any major item or 6 minor items omitted)	0	0	2	0	2	2	4	1	2	1	4	1	1	20
Check Test Totals		149	128	191	136	158	138	163	130	137	115	134	126	1,705

Overall the quality of testing observed has been very good with 97.7% scoring top marks. An average score of 9.84 out of 10 was achieved overall, representing a good performance for the quality of work carried out by the vehicle inspectors.

1.2% of vehicle inspectors were rated poor or unacceptable on at least one occasion, which is a decrease on the 2.4% for 2014. In each case where the vehicle inspector was deemed to carry out the observed test inadequately, the matter was drawn to the attention of the team leader and to NCTS senior management. 20 instances of unacceptable performance were recorded during 2015 and usually related to matters of detail, such as:

- Failure to observe and record different sized tyres fitted to the rear axle;
- Failure to report a split tyre valve;
- Failure to note water in the nearside rear lamp;
- Failure to record tyres over six years old;
- Failure to report the offside front steering rack gaiter being torn/insecure;
- Failure to record a broken coil spring;
- Failure to record HiD bulbs fitted to a non-HiD lamp;
- Failure to observe corrosion in the front wheel housing on the inner wing/suspension turret;
- Failure to report a locking device being absent on the offside front track rod end; and
- Failure to record a leaking exhaust on the nearside rear of a vehicle.

The supervised test inspections for 2015 were analysed using the same reporting software as is used for the Car Testing Service results as a whole. The purpose was to assess whether the results for the sample were similar to those of the overall population of vehicles tested. Material differences would indicate a possible difference in standards of testing when testing is being observed independently.

For the automated and visual test elements, the pass/fail rates for the sample showed slightly higher fail rates for the vehicle population. This appears to indicate that when being observed, there is a slightly greater tendency to fail borderline cases.

Independent check tests

519 vehicles were fully checked independently by the SSC during the year and achieved an average score of 8.90 out of 10 which is slightly higher than the average score of 8.78 for 2014. These were drawn, at random, from tests completed immediately prior to unannounced visits.

Pass/fail decisions changed

In 2015, 14 pass/fail decisions were overturned as a result of failure items being omitted, or included in error, during observed or independent tests. 99.5% of vehicle tests observed or independently inspected found no issues with the test result, compared with 99.1% in 2014.

These scores are calculated in relation to the total observed and independent tests (3,041).

4 Customer Satisfaction Survey

One of the key aspects of the National Car Testing Service that is monitored regularly is the level of customer satisfaction. The overall objective of the study, carried out by the PwC Research to Insight (R2I) unit, is to measure levels of customer satisfaction with the main aspects of service provided by ACTS.

Methodology

The 2015 survey represents the 16th year of measuring customer satisfaction with the core aspects of the NCTS. This current survey was conducted with members of the general public who recently had their vehicle tested.

The research was completed by conducting the interviews with approximately 250 customers during each quarter of 2015, weighted proportionally to the volume of tests carried out at each of the participating test centres. The sample frame used in the survey has been designed to ensure representativeness from across the target population. To that end, quota sampling ensures that a representative cross-section of the population is surveyed to reflect geographical regions, test centre size and the overall national pass rate.

The interviews were administered using a structured questionnaire dealing with the level of importance and satisfaction with a range of issues that a NCTS customer would expect to encounter. The questionnaire used was identical to the 2011 version and contains all the questions asked over the previous seven years of monitoring.

Analysis

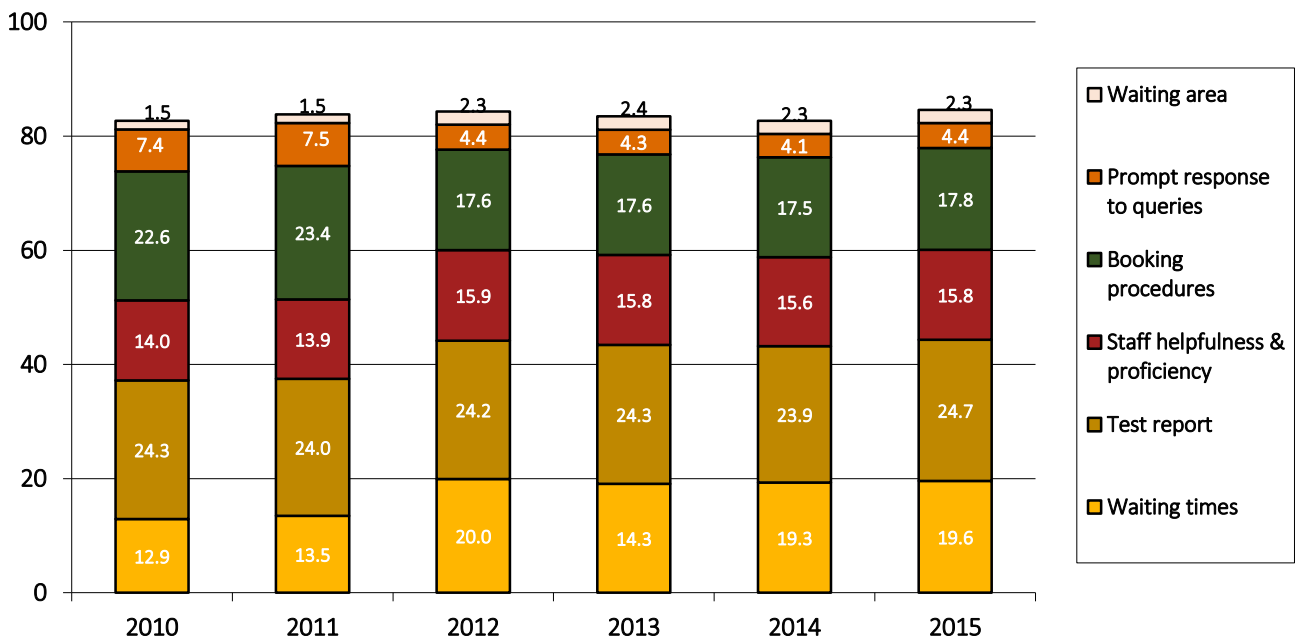
The questionnaires were analysed using SPSS, the leading statistical package designed for the purposes of market research.

A key feature of our analysis is the calculation of a Customer Performance Index (CPI). This index summarises the overall performance of NCTS into a single score which allows for each year's results to be interpreted at a glance and compared with the results of the benchmark study and those of the subsequent years' monitoring. The maximum possible CPI score is 100 and the required service standard score is 80.

Key findings

Customer Performance Index

The customer performance index (CPI) for 2015 showed an increase of 1.8 on 2014 to give a score of 84.6, comfortably above the score of 80 set out in the customer charter. The increased CPI for 2015 in comparison with 2014 can primarily be attributed to an improved rating for the test report.



Overall Satisfaction

Respondents were asked to rate their satisfaction with various aspects of service on a five point scale, where one was 'very dissatisfied' and five was 'very satisfied'. Satisfaction with the main aspects of service was generally high, with the majority of respondents being very satisfied or quite satisfied with all of the service attributes under investigation.

Aspect of Service	Number to whom question was applicable	Quite satisfied (%)	Very satisfied (%)	Overall satisfaction 2015 (%)	% Change on 2014
Information on booking procedures	995	29	60	89	+5
How straightforward it was to confirm test	990	24	71	95	+3
Helpfulness of staff when confirming test	776	21	74	95	+2
Length of time had to wait for test appointment	995	24	40	64	+5
Length of time taken to respond to telephone queries	489	25	65	90	+5
Length of time taken to respond to written queries	84	24	65	89	+9
Registration and payment procedures at test centre	968	23	70	93	0
Helpfulness of reception staff	988	23	66	89	+2
Length of time had to wait at test centre	987	32	53	85	+1
Cleanliness of waiting area	972	35	45	80	-3
Comfort of waiting area	970	32	33	65	-1
Helpfulness of staff member who carried out test	960	24	68	92	+3
Ability to carry out test professionally	905	25	66	91	+3
Ability to answer questions on test result	646	26	61	87	+1
Test report itself	983	29	58	87	+4
Length of time had to wait for re-test	264	32	56	88	-1

National Car Testing Service SSC Annual Report 2015

The lowest performing aspects of service in 2015 were:

- Length of time to wait for test appointment (64%)
- The comfort of the waiting area (65%); and
- Cleanliness of waiting area (80%).

Customer satisfaction with the length of time waiting for a test appointment improved considerably in the second half of the year, leading to an overall increase on the 2014 rating. Overall, 3 of the 16 components saw their scores fall in 2015; 12 of the components experienced an increase in score and the remaining one was unchanged.

The component which experienced the largest fall in 2015 was 'cleanliness of waiting area', which fell by 3 points compared to 2014. The largest increase was in the 'length of time taken to respond to written queries' component, which gained 9 points on 2014.

Overall satisfaction scores rose in 2015, with 87% of respondents stating that they were quite or very satisfied with the service. This represents a 2% increase on 2014 and is a second consecutive annual rise in overall satisfaction.

Conclusion

Perhaps unsurprisingly, there is a higher level of satisfaction among respondents who passed the test compared with those who failed; however, the distinction between the two remains narrow. 90% of those who passed were quite or very satisfied with the overall service from NCTS, compared with 79% of those who failed. These figures were 92% and 79% respectively in 2014.

5 Complaints and Appeals

Customer Complaints

Customer complaints are recorded under a number of categories set out in the summary table below. NCTS use a computer system to record initial customer complaints, document their progress and resolution and provide a document audit trail to retain information regarding promptness and quality of responses to customers.

During 2015 there were 1,563 customer complaints, which was an increase of 52% on the total number of complaints received in 2014 (1,029). While this was partly in line with the increase in the number of tests carried out, it also reflected a distinct increase in complaints about rules/regulations (386 in 2015 vs 91 in 2014).

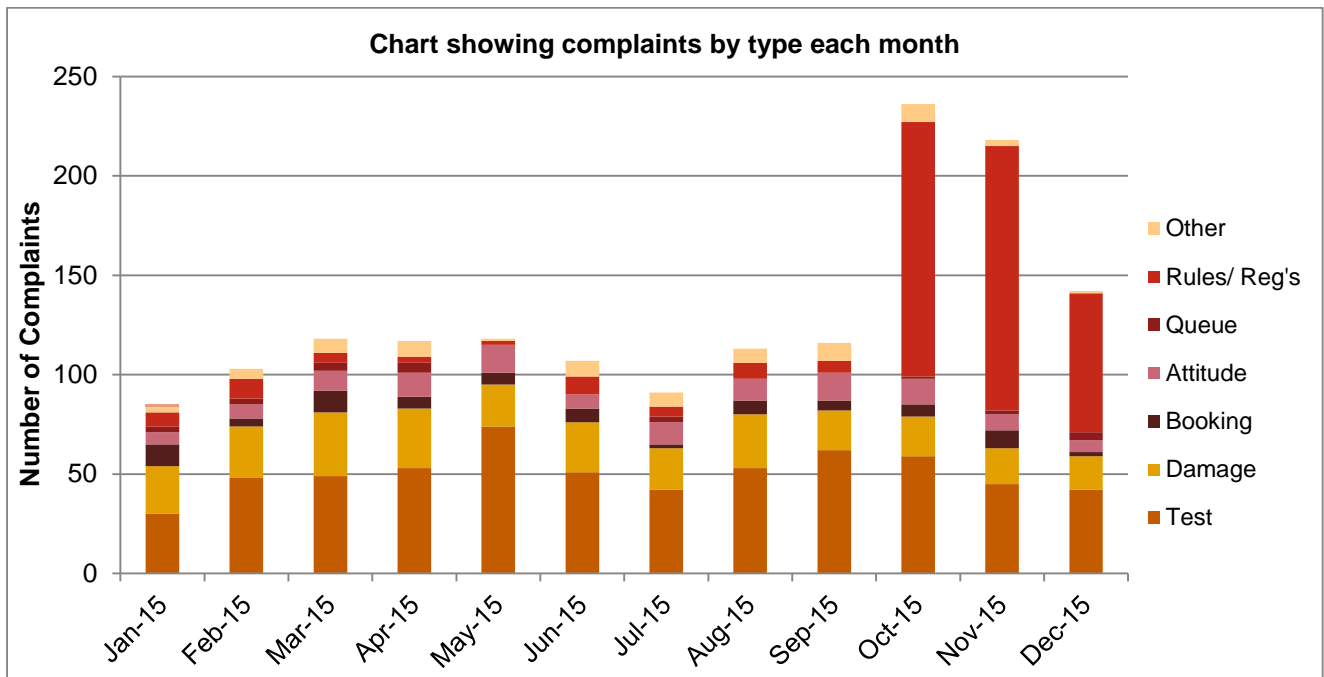
The total number of complaints as a percentage of total tests taken was 0.07%. This was higher than the 2014 result (0.05%), yet it was also well below the target set at 0.2%.

Table 5.0 Year 2015 Customer Complaints (by category)

Complaint category	Total
Test (conduct of test/results)	608
Damage (or loss to property)	281
Bookings (& call centre)	76
Attitude (of staff)	119
Queue (delays at test centre)	25
Rules/Regulations	386
Other	68
Total	1,563
As a % all tests conducted	0.07%

38.9% of the complaints related to test conduct/results compared with 47.3% in 2014. Rules and regulations accounted for 24.7% of complaints in 2015, mainly as a result of voluntary early testing rules not being clearly understood as ACTS introduced additional measures to bring forward demand from the peak periods into quieter periods. 18.0% of complaints related to vehicle damage or loss of customer property. Complaints about bookings (& call centre) accounted for 4.9% which is slightly higher than the 4.6% in 2014.

Chart 5.1 Year 2015 Customer Complaints (by category)



Appeals

The Independent Appeals Board received 43 appeals throughout 2015, of which 6 appeals were upheld after investigation. The upheld appeals related specifically to the following areas:

- Test fees;
- Rear suspension;
- Fault mis-diagnosed;
- ABS lights; and
- Electronic parking brake.

Test integrity issues

ACTS operate using a very comprehensive Code of Ethics. Each staff members receives refresher training each year on the company's Code of Ethics. This Code of Ethics programme has been very successful in both addressing and minimising issues regarding Test Integrity.

From time to time, matters come to the attention of ACTS, the SSC or the Authority, which give rise to investigations into the integrity with which testing is carried out by particular vehicle inspectors or at particular test centres. Where specific issues are identified, disciplinary action is taken against any members of staff involved and, where appropriate, An Garda Síochána informed. During 2015, two employees were dismissed in relation to breach of code of integrity issues.

Conclusion

The number of complaints received by NCTS has remained low as a proportion of tests conducted and there is a consistent approach to dealing with them. The Independent Appeals Board provides an independent environment for the resolution of customer issues, for the small number of cases that require additional investigation.

ACTS continues to bear down on instances of failure of test integrity, through a range of preventative and investigative measures.

6 Performance Management

Performance Standards Achieved

The following table sets out the NCTS level of achievement over the past 5 years, against the standards of performance required.

Table 6.0 Year 2015 NCT Achievement against Performance Standard

Performance Standard	Target	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Actual 2015
Waiting times (full slots) for bookings – average less than 14 days	<14 days	8.1	9.82	11.6	11.8	8.6***
Waiting times at individual National Car Test Centres – average less than 21 days	<21 days	√	√	√	√	√
Test accuracy	99.0%	99.7%	99.1%	99.1%	99.1%	99.5%
Customer satisfaction (Customer Performance Index)	80.0	83.7	84.3	83.5	82.8	84.6
Operational audit	90.0%	92.8	95.8	96.6	97.2	96.5
Notification of results		√	√	√	√	√
Notifying Owners of the requirement to have their vehicle tested	80% 4-6 weeks before the due date of the test	√*	√	√	√	√**

√- Denotes satisfactory result by reference to the performance standards

* A derogation was given against this performance standard in Quarter 2 2011.

** A derogation was given against this performance standard in Quarter 1 2015.

*** The method of calculation of waiting times was changed from Quarter 3 2015.

As shown in the table above:

- (a) It was agreed between the parties that a revised method of calculation of waiting times would be introduced from 1st July 2015 to account more fully for any time spent on a waiting list, before making a booking.
- (b) Standards of test accuracy were met with 99.5% achieved against a target of 99% for the year as a whole.
- (c) The CPI (Customer Performance Index) for 2015 was 84.6, above the target of 80.
- (d) Operational audit performance for 2015 was above the target of 90% at 96.5%.
- (e) The standard requiring at least 80% of owners to be notified in advance was met in Quarter 3 and Quarter 4, 2015. However, in Quarters 1 & 2, performance was affected by the introduction of a fixed charge penalty in December 2014 for not having a valid NCT certificate and excessive demand from people overdue their test.
- (f) Notification of test results continued to be forwarded daily to NVDF in line with the standard required.

The following table demonstrates the performance standards and the performance adjustment criteria, as detailed in the Project Agreement.

Table 6.1 Performance Standards and the Performance Adjustment Criteria

Performance area	Key performance standard	Performance points	Performance bands	Actual adjustment
Waiting times	Average waiting time for test bookings less than 14 days	One point for each day (max. six points per week) greater than the standard	A : 0 points B : 1-4 points C : 5-8 points D : >8 points	Y
Waiting times at individual National Car Test Centres	Average waiting time for test bookings less than 21 days	0.33 point for each day (max two points per week) greater than the standard	A : 0 points B : 0-1 points C : 1-2 points D : >2 points	N
Test integrity	99 per cent of test outcomes to be confirmed on check testing.	One point for each 0.5 per cent below the standard	A : 0 points B : 1-4 points C : 5-8 points D : >8 points	N
Customer satisfaction	Level of customer satisfaction with the National Car Testing service as defined by Composite Customer Satisfaction Index must equal 90 per cent.(80%CPI)	Two points for each three per cent below the standard, taking into account sampling errors	A : 0 points B : 0-4 points C : 4-8 points D : >8 points	N
Operational audit	Average composite index of performance resulting from operational audits of National Car Test Centres must equal 90 per cent.	One point for each one per cent below the standard	A : 0 points B : 1-4 points C : 5-8 points D : >8 points	N
Notifying Owners of the requirement to have their vehicle tested	80% 4-6 weeks before the due date of the test	One point for every 10 percentage points below the standard.	A : 0 points B : 1 point C : 2 points D : >3 points	Y
Notification of results	Transfer of test results to NVDF daily (or issue of test certificates and discs within two minutes of test completion) on 98 per cent of occasions.	One point for each one per cent below the standard	A : 0 points B : 1-4 points C : 5-8 points D : >8 points	N

National Car Testing Service SSC Annual Report 2015

Performance adjustments for the current NCTS contract were set up, generally to be applied on a quarterly basis throughout the term of the contract. In quarter 1 2015, the operation of the service came under significant pressure, following the publicity surrounding the introduction of penalty points as a fixed charge offence. It was accepted that customers who had been excessively inconvenienced during the period of high demand had been compensated and that there was no failure on the part of the NCT contractor to meet the key performance standard using the agreed method of measurement. However, during this time, it became clear that the method of measurement of waiting times did not fully reflect customer experiences, due mainly to the increased use of a waiting list to hold requests for customers awaiting test appointments. Consequently, it was agreed between the parties that a performance adjustment be made to reflect appropriately the NCT contractor's performance for this period and that a revised method of calculation of waiting times would be introduced from 1st July 2015.

Within the contract, arrangements were made for profit share where the profitability exceeds the anticipated level in the tender.

In light of the increased volume of testing in recent years and in accordance with the provisions of the NCT Contract, the Authority was entitled to a share of the profits of the NCTS for the period 2010-2015. The total amount due to the Authority in respect of performance adjustment and profit share is €3.333m. This is payable in 2016.

7 Financial Matters

In this section of the report we comment on the overall financial results of ACTS. The purpose and scope of the work of the SSC is not of the nature of a financial audit. We do not provide any assurance or comfort as to the validity of the figures presented in this report and we do not present an opinion as to the true and fair nature of the state of affairs of the company. We have not been required to assess or validate any of the financial figures made available to us and therefore any errors in the underlying figures will flow through to our report. We accept no responsibility or liability for any such errors. ACTS' appointed auditors are Deloitte.

The SSC monitors the financial performance of the company on a monthly basis with reference to the management accounts and discusses the monthly performance and key variances against budget.

Each year, the company provides a revised forecast of its performance over the full term of the contract, incorporating projections of numbers of vehicles eligible for testing over the remainder of the contract, as well as other relevant information such as any agreed test fee changes or other cost changes. The financial model – covering the 10 years of the contract - is also updated for audited historic outturn information once the final financial statements are available.

Other aspects of the work of the SSC includes assisting in the evaluation of any applications for review of the test and/or retest fee and reviewing the documentation supporting the levy payments made by NCTS to the Road Safety Authority.

The profit and loss accounts for ACTS, as per the Financial Statements for the financial year ending 31 December 2015 is summarised below, showing the key financial results.

Table 7.0 Profit and Loss Account 2015 and 2014

	2015 €	2014 €	Difference €	Difference %
Turnover	80,807,183	74,943,265	5,863,918	7.8%
Cost of Sales	(64,518,204)	(59,779,246)	4,738,958	7.9%
Gross profit	16,288,979	15,164,019	1,124,960	7.4%
Administrative expenses	(11,021,087)	(11,273,786)	(252,699)	(2.2%)
Operating profit	5,267,892	3,890,233	1,377,659	35.4%
Finance income	756,879	542,246	214,633	39.6%
Profit/(loss) before taxation	6,024,771	4,432,479	1,592,292	35.9%
Taxation	(607,870)	(645,731)	(37,861)	(5.9%)
Profit/(loss) for the year	5,416,901	3,786,748	1,630,153	43.0%

In 2015, NCTS recorded turnover of €80.8m, an increase of €5.8m or 7.8% from the prior year. National Car Testing income formed 93% of total income for 2015 with the majority of the remaining income coming from VRT Import Conformance Inspection testing.

NCTS recorded a profit before tax of €6.0m for 2015 representing an operating profit margin of 6.5% and a net (pre-tax) profit margin of 7.5%. This compares with a profit before tax of €4.4m for 2014. This resulted from higher test volumes and cost of sales in 2015 compared with 2014.

Likewise the balance sheets for the company for the financial years ending 31 December 2015 and 31 December 2014 are summarised below, identifying the key balances and the year on year changes. These figures have been taken from Financial Statements for 2014 and 2015.

Table 7.1 Balance Sheets 2015 and 2014

	2015 €	2014 €	Difference €	Difference %
Non-Current assets				
Property, plant and equipment	6,187,128	5,016,566	1,170,562	23.3%
Intangible assets	108,494	103,161	5,333	5.2%
Deferred tax asset	382,517	314,658	67,859	21.6%
Amounts due from group undertakings	1,939,978	1,500,000	439,978	29.3%
	8,618,117	6,934,385	1,683,732	24.3%
Current Assets				
Trade and other receivables	16,644,107	16,590,040	54,067	0.3%
Cash and cash equivalents	74,191	905,888	(831,697)	(91.8%)
Current corporation tax asset	181,214	86,943	94,271	108.4%
	16,899,512	17,582,871	(683,359)	(3.9%)
Total Assets	25,517,629	24,517,256	1,000,373	4.1%
Equity				
Issued capital	3,010,000	3,010,000	-	-
Retained earnings	5,420,582	3,793,681	1,626,901	42.9%
Total Equity	8,430,582	6,803,681	1,626,901	23.9%
Non-Current Liabilities				
Provisions	325,000	325,000	-	-
	325,000	325,000	-	-
Current Liabilities				
Trade and other payables	16,762,047	17,388,575	(626,528)	(3.6%)
Current corporation tax liability	-	-	-	-
Total Liabilities	17,087,047	17,713,575	(626,528)	(3.5%)
Total Equity and Liabilities	25,517,629	24,517,256	1,000,373	4.1%

The value of non-current assets increased by approximately €1.7m in 2015, largely as a result of an increase in the value of property, plant and equipment and amounts due from group undertakings. The net book value of property plant & equipment increased by €1.2m and the amounts due from group undertakings rose by €0.4m. The net book value of intangible assets (computer software) and the deferred tax asset increased by €5k and €68k respectively.

Current assets decreased by €0.7m overall, due to a decreases of €0.8m in the cash balance held, offset by increases in trade and other receivables and current corporation tax asset of €54k and €94k respectively. The trade and other payables

balance has decreased by €0.6m as at 31 December 2015. The company has remained in a net current asset position at 31 December 2015 and 31 December 2014.

Overall there has been an increase of 23.9% in the total equity held in the company from 2014 to 2015.

Conclusion

Turnover was €80.8m for the year compared with €74.9m for 2014. ACTS recorded an operating profit of €5.3m and profit before tax of €6.0m for 2015, representing an operating profit margin of 6.5%, and a net (pre-tax) profit margin of 7.5%. This compares with a profit before tax of €4.4m and net profit margin of 5.9% for 2014. A dividend of €3.8m was paid during the year.

Total equity was €8.4m. The company held cash and cash equivalents of €74k as at 31 December 2015, 91.8% lower than the prior year. A loan of €1.9m was due from group companies as at 31 December 2015. The company held a net current asset position as at 31 December 2015.

Although overall demand increased and the total income was higher than budgeted, 81k free periodic inspections were conducted during 2015 (5.5% of tests), due to some customers being unable to obtain a test appointment within 28 days.

Conclusions

2015 was the sixth year of operation since ACTS took over responsibility for delivering the National Car Testing Service. Demand for the service was higher than in previous years with approximately 1,492,000 full tests and almost 768,000 lane and non-lane retests completed during 2015.

The inclusion of non-compliance with NCT requirements in the Fixed Charge System and related awareness campaigns from October - December 2014 caused a significant increase in demand for testing in the first and second quarters of 2015, particularly amongst customers whose cars were overdue their test. The excess demand over slot availability in quarters 1 & 2 hindered ACTS' ability to meet its target of providing tests within 28 days, in all cases. As a result, a number of customers who were delayed beyond 28 days were given a free test to compensate for their inconvenience.

ACTS introduced a number of short term measures to cope with demand. These included extra overtime working, the recruitment of additional vehicle inspectors, deployment of staff on a temporary basis to particular 'hotspots' and extending opening hours at test centres (a number of test centres performed 24 hour testing). In addition the call centre required additional staffing and telephone lines to enable it to cope. In addition they brought forward plans to increase the number of test lanes available throughout the network, to enable them to cope more easily with any similar situation arising in the future. Progress was monitored closely and by mid-year had fully recovered the situation.

Staffing levels rose early in the year to historically high levels in response to the demands on the service. The number of vehicle inspectors was increased further in quarter 4, in preparation for the peak demand period in Quarter 1 2016. Staffing in the call centre reduced in the second half of the year as improved web booking systems enabled up to 50% of customers to book tests on line.

During the early part of the year, it became clear that the method of measurement of waiting times did not fully reflect customer experiences, due mainly to the increased use of a waiting list to hold requests for customers awaiting test appointments. Consequently, it was agreed between the parties that a performance adjustment be made to reflect appropriately the NCT contractor's performance for this period and that a revised method of calculation of waiting times would be introduced from 1st July 2015.

Customers' overall level of satisfaction with the service, as measured by the customer performance index, remained high at 84.6, which was higher than the previous year's score of 82.8. The number of complaints remained low and related to fewer than 0.1% of total tests.

The operational audit, a composite measure of a wide range of performance elements was 96.5%, comfortably above the target of 90%.

For the company's sixth year of full operation, ACTS recorded turnover of €80.8 million, an operating profit of €5.3 million and a profit before taxation of €6.0 million. A dividend of €3.8m was paid during the year.

In light of the increased volume of testing in recent years and in accordance with the provisions of the NCT contract, the Authority was entitled to a share of the profits of the National Car Testing Service for the period 2010-2015. The total amount due to the Authority in respect of performance adjustment and profit share is €3.333m. This is payable in 2016.