



National Car Testing Service

Annual Review 2016 v1.3

June 2017

Údarás Um Shábháilteacht Ar Bhóithre
Road Safety Authority

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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 17 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 2016. Additional test lanes at Ballina, Deansgrange, Enniscorthy and Skibbereen test centres were commissioned in 2016.

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 2016, 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 2016 is summarised in the table below. This shows that 47.95% (47.22% including failure for non-presentation of ID) of vehicles obtained test certificates on first test. This was slightly lower than the equivalent rate for 2015, which was 48.94%. 86.20% of re-tests requiring use of the test lane (brakes, headlamps, emissions etc.) obtained a test certificate compared with 86.26% in 2015. 99.45% of non-lane re-tests gained test certificates, compared with 99.49% in 2015.

Table 1.0 Year 2016 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 Full Tests	%	No. of Full Tests	%	No. of Full Tests	%	No. of Full Tests	%	No. of Full Tests	%	No. of Full Tests	%	
No. of Full Tests	487,583	33.27%	204,524	13.95%	242,323	16.53%	696	0.05%	10,658	0.73%	514,825	35.12%	5,093	0.35%	1,465,702
No. of Lane Re-Tests	284,038	57.13%	143,077	28.78%	14,848	2.99%	80	0.02%	1,446	0.29%	52,720	10.60%	954	0.19%	497,163
No. of Non Lane Re-Test	163,716	62.41%	97,135	37.03%	1,428	0.54%	22	0.01%	33	0.01%	1	0.00%	0	0.00%	262,335
Total	935,337	42.03%	444,736	19.99%	258,599	11.62%	798	0.04%	12,137	0.55%	567,546	25.51%	6,047	0.27%	2,225,200

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

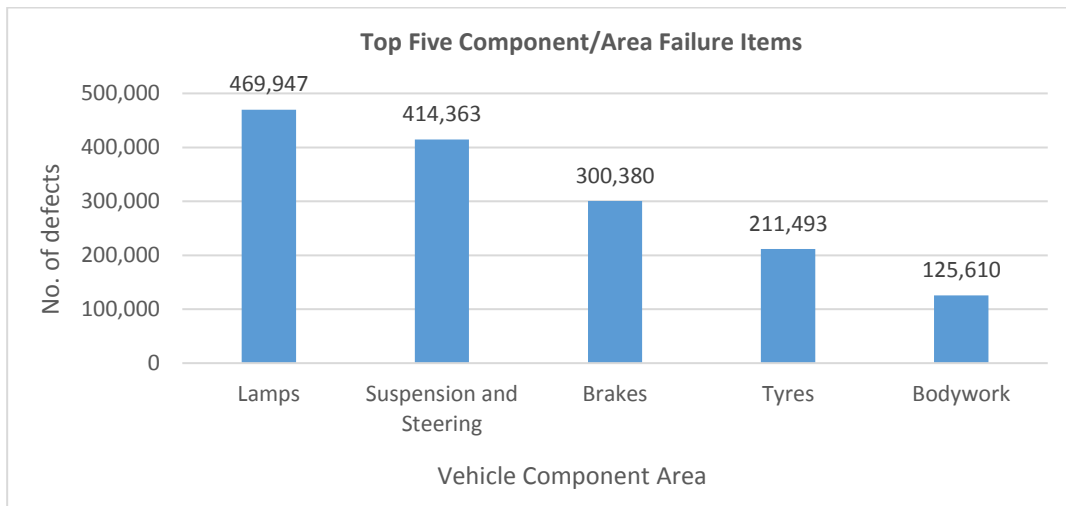
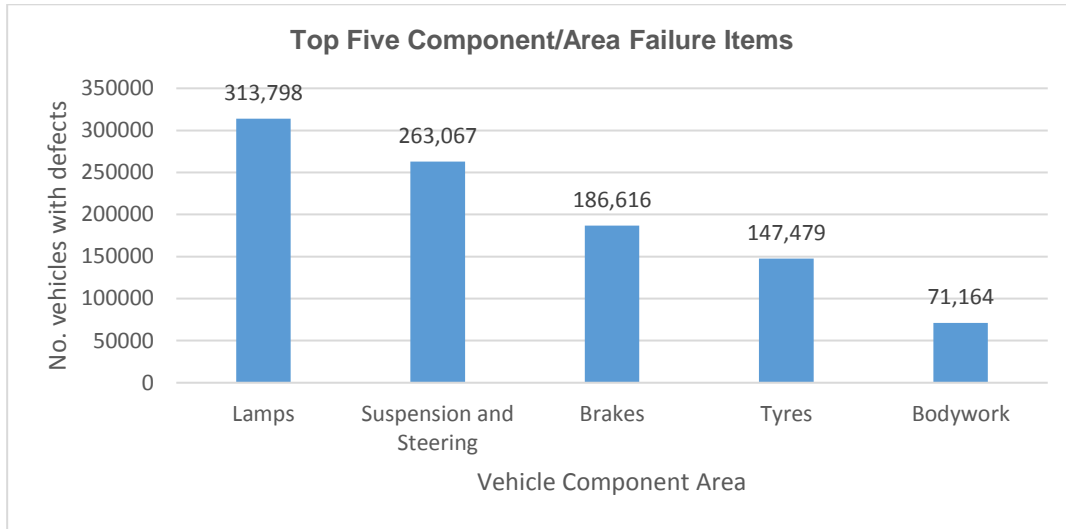
Test Centre	Passes		No ID		Fails		Fail Dangerous		Total
	Number	%	Number	%	Number	%	Number	%	
Abbeyfeale	8,725	53.4%	140	0.9%	7,417	45.4%	48	0.3%	16,330
Arklow	12,778	44.8%	193	0.7%	15,422	54.1%	103	0.4%	28,496
Athlone	8,707	45.8%	159	0.8%	10,057	52.8%	108	0.6%	19,031
Ballina	8,082	45.1%	103	0.6%	9,643	53.8%	81	0.5%	17,909
Ballinasloe	8,100	52.8%	107	0.7%	7,079	46.2%	43	0.3%	15,329
Cahir	14,731	48.0%	182	0.6%	15,675	51.1%	106	0.3%	30,694
Cahirciveen	1,831	50.9%	9	0.3%	1,751	48.7%	7	0.2%	3,598
Carlow	12,458	43.0%	184	0.6%	16,180	55.9%	144	0.5%	28,966
Carndonagh	3,710	51.6%	59	0.8%	3,399	47.2%	27	0.4%	7,195
Carrick-on-Shannon	5,868	44.4%	71	0.5%	7,228	54.7%	41	0.3%	13,208
Castlerea	6,609	44.2%	97	0.6%	8,162	54.6%	72	0.5%	14,940
Cavan	6,814	42.6%	92	0.6%	9,007	56.4%	65	0.4%	15,978
Charleville	8,741	49.3%	129	0.7%	8,799	49.6%	59	0.3%	17,728
Clifden	1,709	37.8%	27	0.6%	2,768	61.3%	13	0.3%	4,517
Cork-Blarney	20,540	45.9%	297	0.7%	23,711	53.0%	173	0.4%	44,721
Cork-Little Island	35,544	50.8%	659	0.9%	33,464	47.8%	292	0.4%	69,959
Deansgrange	53,246	53.7%	1,038	1.0%	44,562	44.9%	299	0.3%	99,145
Derrybeg	2,439	42.1%	50	0.9%	3,294	56.9%	9	0.2%	5,792
Donegal	5,508	49.5%	88	0.8%	5,499	49.4%	33	0.3%	11,128
Drogheda	19,104	50.1%	259	0.7%	18,581	48.7%	182	0.5%	38,126
Dundalk	10,054	44.6%	184	0.8%	12,178	54.0%	118	0.5%	22,534
Ennis	14,829	45.3%	261	0.8%	17,447	53.3%	167	0.5%	32,704
Enniscorthy	17,237	45.2%	242	0.6%	20,418	53.5%	258	0.7%	38,155
Fonthill	42,361	43.2%	710	0.7%	54,492	55.6%	409	0.4%	97,972
Galway	27,342	45.7%	417	0.7%	31,942	53.3%	181	0.3%	59,882
Greenhills (Exit 11,M50)	29,293	45.7%	617	1.0%	33,944	53.0%	192	0.3%	64,046

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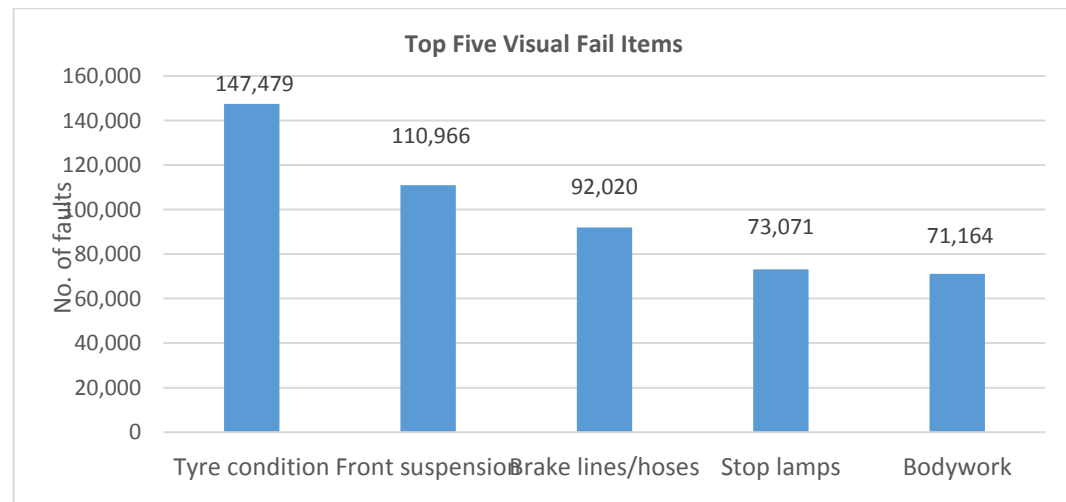
Kells	15,596	45.9%	260	0.8%	17,958	52.8%	170	0.5%	33,984
Kilkenny	15,791	55.0%	189	0.7%	12,607	43.9%	125	0.4%	28,712
Killarney	10,828	54.1%	128	0.6%	9,007	45.0%	60	0.3%	20,023
Letterkenny	10,134	45.6%	161	0.7%	11,830	53.3%	79	0.4%	22,204
Limerick	25,561	46.3%	327	0.6%	29,123	52.8%	191	0.3%	55,202
Longford	6,083	41.4%	84	0.6%	8,452	57.5%	72	0.5%	14,691
Macroom	8,599	51.2%	89	0.5%	8,049	47.9%	73	0.4%	16,810
Monaghan	5,374	38.0%	123	0.9%	8,558	60.5%	80	0.6%	14,135
Mullingar	8,794	44.3%	155	0.8%	10,806	54.4%	100	0.5%	19,855
Naas	22,132	44.3%	258	0.5%	27,290	54.6%	275	0.6%	49,955
Nenagh	12,067	48.5%	139	0.6%	12,582	50.6%	81	0.3%	24,869
Northpoint 1 (Exit 4, M50)	28,511	45.1%	434	0.7%	34,006	53.8%	206	0.3%	63,157
Northpoint 2 (Exit 4, M50)	44,232	45.1%	695	0.7%	52,773	53.8%	351	0.4%	98,051
Portlaoise	13,522	53.9%	135	0.5%	11,356	45.2%	91	0.4%	25,104
Skibbereen	7,757	47.1%	80	0.5%	8,575	52.1%	62	0.4%	16,474
Sligo	9,208	45.4%	146	0.7%	10,842	53.5%	71	0.4%	20,267
Tralee	12,155	52.2%	169	0.7%	10,936	46.9%	47	0.2%	23,307
Tullamore	11,665	51.9%	143	0.6%	10,598	47.1%	82	0.4%	22,488
Waterford	19,470	48.9%	303	0.8%	19,799	49.7%	226	0.6%	39,798
Westport	10,471	47.5%	135	0.6%	11,407	51.7%	53	0.2%	22,066
Youghal	7,797	47.3%	131	0.8%	8,475	51.5%	64	0.4%	16,467
Grand Total	692,107	47.2%	10,658	0.7%	757,148	51.7%	5,789	0.4%	1,465,702

Top Component/Vehicle Failure Items

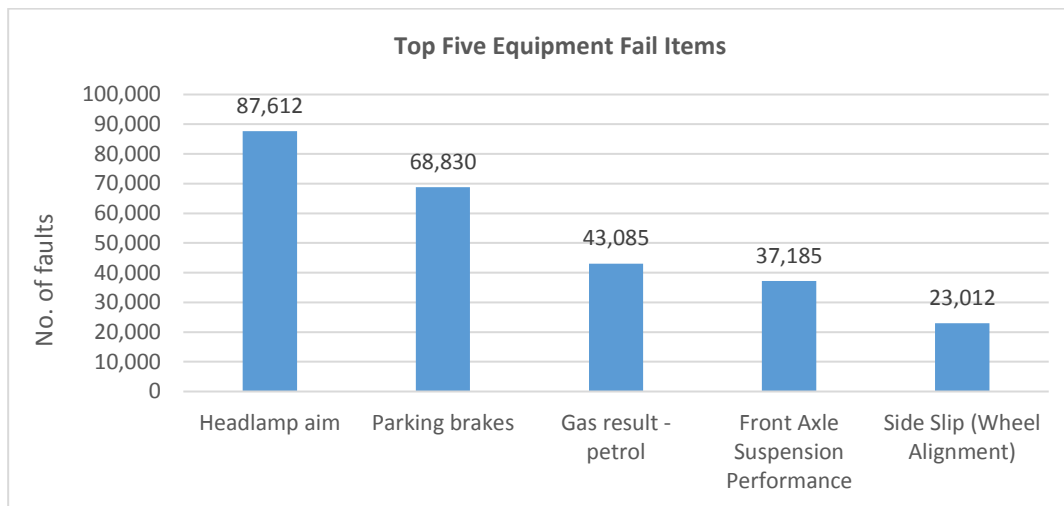
In 2016, the top five component/area failure items were:



In 2016, the top five visual failure items were:



In 2016, 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 similar to 2015. This is discussed further in section 4.

Customer perception was captured through a survey of vehicle owners whose car had been tested throughout 2016. The CPI (customer performance index) for 2016 was 84.4, which was a decrease of 0.2 on 2015. The CPI has continued to exceed the score of 80 set out in the Customer Charter.

Throughout the year, 1,254 complaints were received, representing 0.06% of people using the service. This was a decrease on the 1,563 complaints recorded in 2015 and was comfortably within the target of 0.2% of tests carried out.

Overall Performance

2016 was the seventh year of operation since ACTS took over responsibility for delivering the NCTS. Overall, the performance of the NCTS in 2016 achieved the required standard in relation to all key performance measures and no financial performance adjustments have applied.

ACTS focussed on measures to help level seasonal demand. Voluntary early testing and other measures ensured that ACTS was able to match the demand with a high level of available capacity throughout the 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 2016 based on the results of inspections at headquarters and individual test centres. The overall performance score was 97.0% which is an increase on 2015 (96.5%). Once again, the service has exceeded the standard of 90% as defined in the Project Agreement.

Table 2.0 Operational Audit Scores for 2016

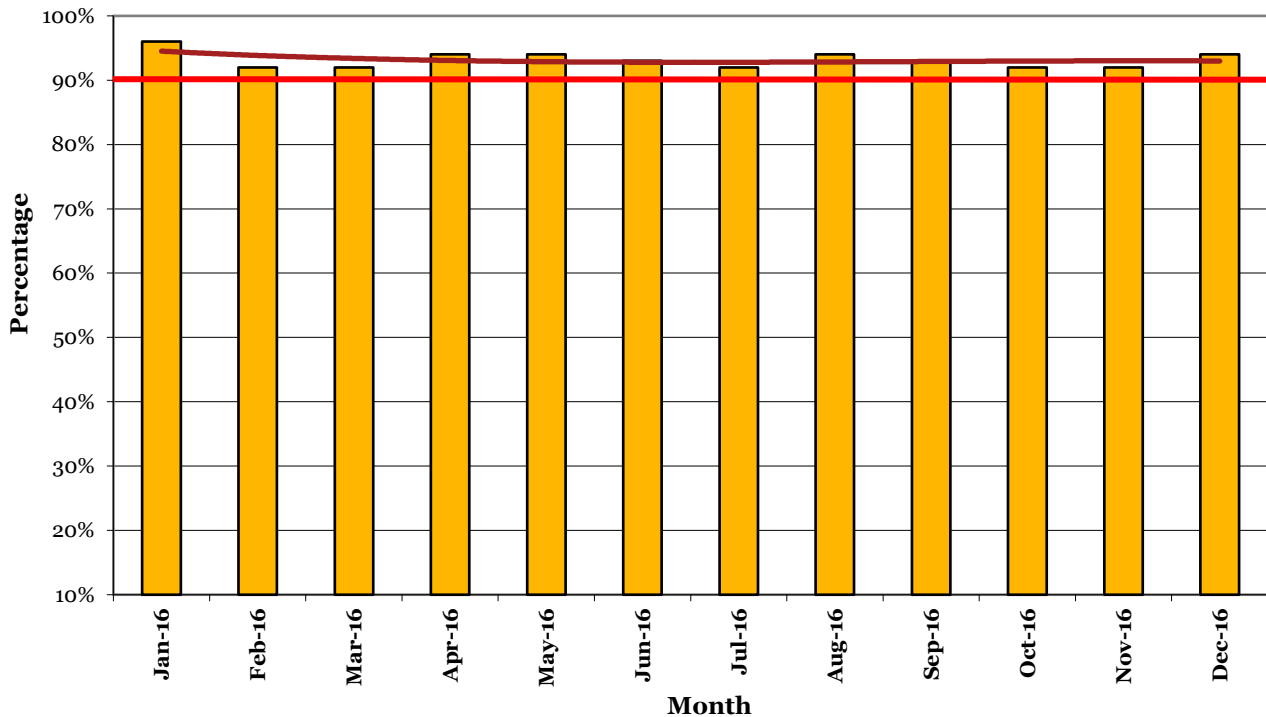
Weighting	Area	2016	2015
465	Headquarters Specific Criteria:	98.5%	97.1%
535	Test Centres Specific Criteria:	95.7%	95.9%
1,000	Total weighted score	97.0%	96.5%

Section A - Headquarters Review

Call Centre

Overall, the call centre exceeded the service level for the year of 90% of calls answered within 15 seconds. The overall result for 2016 was 93%, compared with 90% for 2015.

Chart 2.0 Percentage of calls answered within 15 seconds per month



Annual figures for call centre performance showed that the company received approximately 1.65 million calls, which was a decrease of approximately 576k, or 25.9%, compared with 2015. 55% of calls were received in the first half of the year, compared with 60% in the prior year. 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 2016.

Internet booking transactions accounted for approximately 55% of transactions during the year, increasing to 60% by the end of the year. This was a large increase from 50% in 2015, and 32% in 2014. During 2016, 89% of full tests were confirmed by SMS, compared to 88.5% in 2015 and 87% in 2014.

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.

The booking lead-time for full tests achieved the required service level over the year. On average, test appointments could be booked within 4.7 days from the time of request. 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 1.9 days (3.0 days in 2015).

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 2.5 minutes which was consistent with the average waiting time of 2.6 minutes in 2015. 105 vehicles were kept waiting longer than 1 hour compared with 101 vehicles in 2015.

Staffing and HR

Overall staffing levels which include headquarters staff, test centre and call centre personnel, decreased from 886 in December 2015 to 848 in December 2016. Recruitment programmes for vehicle inspectors (VIs) were ongoing throughout 2016. Approximately 30 new VIs had been recruited for planned deployment in January and February 2016 in anticipation of increased seasonal demand in the first half of 2016. The number of VIs and team leaders (including those working on the third shift) reduced from 614 in December 2015, to 590 in December 2016. Applus recruited approximately 25 vehicle inspectors in quarter 4, ahead of seasonal peak for early 2017. However, due to a further improvement in levelling demand throughout the year, the seasonal recruitment was lower than previous years. Staffing in the call centre in 2016, on a full-time equivalent basis, was also lower than for 2015, reflecting the improved slot availability and increased use of web booking systems.

Annual training of all vehicle inspectors took place in September and October 2016. 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 668 such inspections took place in 2016. 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 expanded test centres. During 2016, 5 additional test lanes in 4 test centres were commissioned and brought into service.

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 in August/September 2016.

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 2016 was 84.4, compared with a score of 84.6 in 2015 and 82.8 in 2014. 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 3,287 vehicles were observed while they were being tested. A further 701 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 9.6 out of 10 for 2016. 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 2016 some 3,287 vehicle tests were observed by the SSC team. A further 701 independent rechecks were undertaken during the year. The overall number of independent and observed tests increased in 2016.

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 6 to 7 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 2016

2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
No. of Test Centres	47	41	47	57	59	74	62	48	68	49	65	51	668
No. of Test Lanes	78	77	79	91	87	90	94	81	90	88	89	77	1,021
No. of Vehicle Inspectors observed	174	153	152	200	206	203	197	167	185	175	206	162	2,180
No. of Vehicles	249	224	214	296	290	306	295	269	277	272	317	278	3,287

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 3,287 observations were made:

- There were 67 incidences (3.1%) incidences of vehicle inspectors scoring zero due to failing to identify a 'major' item or at least 6 'minor' items, compared with 20 incidences in 2015 (1.2%) and 38 in 2014 (2.4%);
- No vehicle inspectors scored 3 (omitted 5 minor items), compared with none in 2015 and none in 2014;
- 52 vehicle inspectors scored 6 (omitted up to 4 minor faults), compared with 19 in 2015 and 10 in 2014;
- No vehicle inspector scored 9 (omitted up to 2 faults), compared with none in 2015 and none in 2014; and
- 94.5% of vehicle inspectors audited scored maximum points, compared with 2015 and 2014 outcomes of 97.7% and 97.0% respectively.

Table 3.1 Vehicle Inspector Performance Rating for 2016

Category	Score	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Very Good (0 faults omitted)	10	166	153	151	198	195	182	188	158	177	161	190	142	2,061
Good (<=2 faults omitted)	9	0	0	0	0	0	0	0	0	0	0	0	0	0
Adequate (<=4 faults omitted)	6	2	0	1	0	4	4	2	1	3	12	11	12	52
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	6	0	0	2	7	17	7	8	5	2	5	8	67
Check Test Totals		174	153	152	200	206	203	197	167	185	175	206	162	2,180

Overall the quality of testing observed has been very good with 94.5% scoring top marks, although this has fallen slightly from 2015. An average score of 9.6 out of 10 was achieved overall, representing a good performance for the quality of work carried out by the vehicle inspectors.

3.1% of vehicle inspectors were rated poor or unacceptable on at least one occasion, which is an increase on the 1.2% for 2015. 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. 67 instances of unacceptable performance were recorded during 2016 and usually related to matters of detail, such as:

- Failure to report the nearside front tyre being fitted the wrong way, and the tyre was inside out;
- Failure to report a cut in the flexible brake line through which the inner cord was visible;
- Failure to note water in the nearside front indicator;
- Failure to record tyres over six years old;
- Failure to report a bulge in the sidewall of a nearside front tyre;
- Failure to record a broken coil spring;
- Failure to report a damaged and insecure wire within an exposed inner core behind the nearside front headlight;
- Failure to report an absent offside rear reflector;
- Failure to report a rear chassis was extensively corroded; and
- Failure to record an outer CV boot was insecure/damaged.

The supervised test inspections for 2016 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

701 vehicles were fully checked independently by the SSC during the year and achieved an average score of 9.05 out of 10 which is slightly higher than the average score of 8.90 for 2015. These were drawn, at random, from tests completed immediately prior to unannounced visits.

Pass/fail decisions changed

In 2016, 40 pass/fail decisions were overturned as a result of failure items being omitted, or included in error, during observed or independent tests. 99.0% of vehicle tests observed or independently inspected found no issues with the test result, compared with 99.5% in 2015.

These scores are calculated in relation to the total observed and independent tests (3,988).

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 2016 survey represents the 17th 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 2016, 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 eight years of monitoring.

Analysis

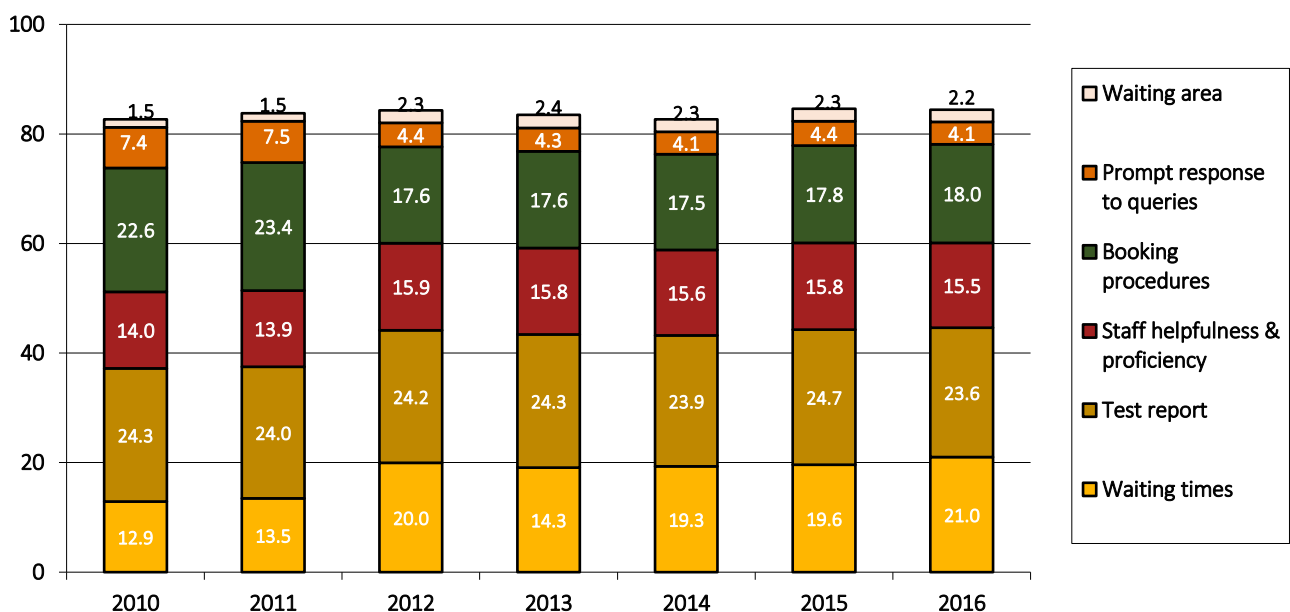
The questionnaires were analysed using SPSS, the leading statistical package designed for the purposes of market research.

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 2016 showed a decrease of 0.2 on 2015 to give a score of 84.4, comfortably above the score of 80 set out in the Customer Charter. Last year's CPI score was the highest recorded since the survey weights were recalibrated in 2012, but, with only a small decrease in score, 2016's score remains the second highest since 2012. Only minor fluctuations are evident when looking at the performance of the individual aspects from 2015 to 2016.



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 2016 (%)	% Change on 2015
Information on booking procedures	998	30	60	90	+1
How straightforward it was to confirm test	997	20	76	96	+1
Helpfulness of staff when confirming test	593	21	74	95	0
Length of time had to wait for test appointment	996	31	53	85	+21
Length of time taken to respond to telephone queries	241	27	62	89	-1
Length of time taken to respond to written queries	85	28	51	79	-10
Registration and payment procedures at test centre	941	25	69	94	+1
Helpfulness of reception staff	983	26	62	88	-1
Length of time had to wait at test centre	991	34	50	84	-1
Cleanliness of waiting area	986	33	44	77	-3
Comfort of waiting area	984	32	31	63	-2
Helpfulness of staff member who carried out test	968	29	58	87	-5
Ability to carry out test professionally	903	25	63	88	-3
Ability to answer questions on test result	679	29	56	85	-2
Test report itself	993	27	54	81	-5
Length of time had to wait for re-test	318	34	58	92	+3

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The lowest performing aspects of service in 2016 were:

- The comfort of the waiting area (63%);
- The cleanliness of the waiting area (77%); and
- The length of time taken to respond to written queries (79%).

Overall, 10 of the 16 components saw their scores fall in 2016; 5 of the components experienced an increase and the remaining one was unchanged.

The most improved performance was recorded in the 'length of time to get a test appointment' component, which saw a considerable jump of 21 percentage points to 85%, rising in score for the third consecutive year after being one of the lowest scoring aspects just two years ago. This has been an area of particular frustration in recent annual monitoring periods, so a drastic improvement in score seems to signal a noticeable improvement for customers in relation to waiting times for test appointments.

The largest fall in score in 2016 came in the 'length of time taken to respond to written queries' component, which fell by 11 percentage points on the 2015 score. This area had experienced the highest increase in score in the 2015 monitoring period. However, fewer than one in ten of the customers surveyed were able to provide an answer to this question, so with the ensuing lower base size a considerable fluctuation in score should not be seen as a surprise and analysis in this area should be treated with an element of caution.

Overall satisfaction with the service remained constant in 2016, with 86% of respondents stating that they were quite or very satisfied with the service. This represents a 1% decrease on 2015. Overall satisfaction has remained consistently high, with the score fluctuating between 84% and 87% over the last five annual monitoring periods.

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. 92% 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 90% and 79% respectively in 2015.

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 2016 there were 1,254 customer complaints, which was a decrease of 20% on the total number of complaints received in 2015 (1,563). This reflects a distinct decrease in complaints about rules/regulations (168 in 2016 vs 386 in 2015).

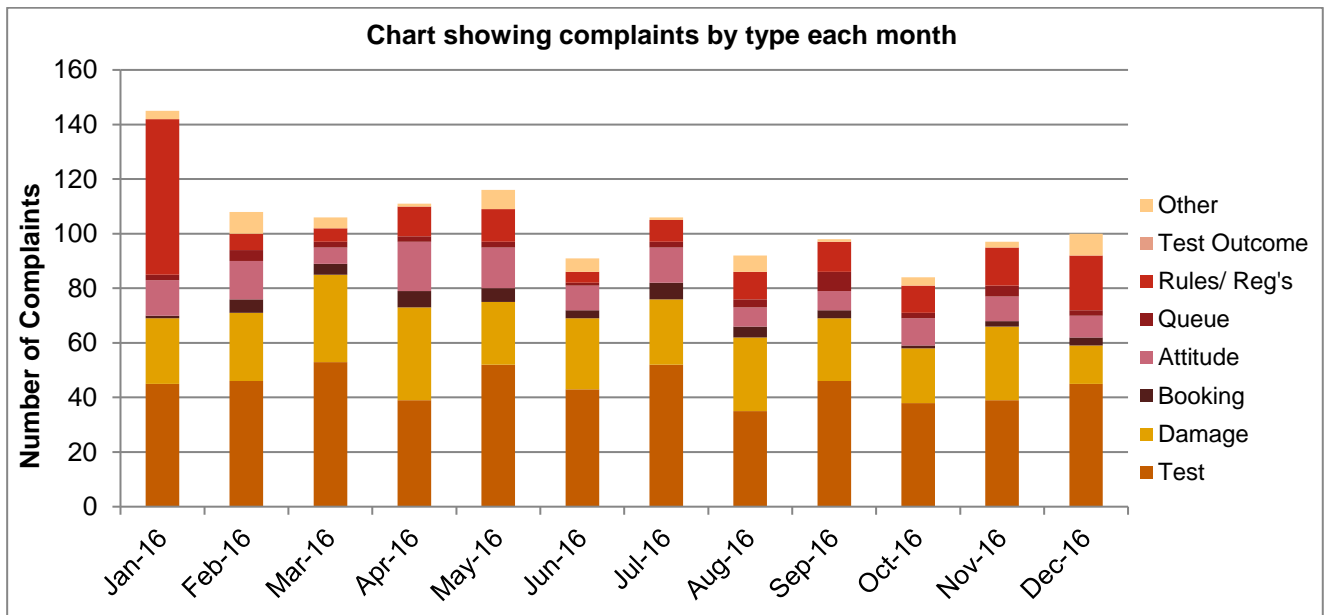
The total number of complaints as a percentage of total tests taken was 0.06%. This was slightly lower than the 2015 result (0.07%) and it was also well below the target set at 0.2%.

Table 5.0 Year 2016 Customer Complaints (by category)

Complaint category	Total
Test (conduct of test/results)	533
Damage (or loss to property)	299
Bookings (& call centre)	43
Attitude (of staff)	129
Queue (delays at test centre)	33
Rules/Regulations	168
Other	49
Total	1,254
As a % all tests conducted	0.06%

42.5% of the complaints related to test conduct/results compared with 38.9% in 2015. 23.8% of complaints related to vehicle damage or loss of customer property. Rules and regulations accounted for 13.4% of complaints in 2016, down from the level of 24.7% of complaints received in 2015. Complaints about staff attitude accounted for 10.3% in 2016.

Chart 5.1 Year 2016 Customer Complaints (by category)



Appeals

The Independent Appeals Board received 31 appeals throughout 2016, of which 4 appeals were upheld after investigation. The upheld appeals related specifically to the following areas:

- Faults missed during inspection;
- Significant corrosion;
- Mileage discrepancy; and
- Side lights.

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 2016, six employees were dismissed in relation to breach of code of ethics 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 2016 NCT Achievement against Performance Standard

Performance Standard	Target	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Actual 2016
Waiting times (full slots) for bookings – average less than 14 days	<14 days	9.82	11.6	11.8	8.6**	4.7
Waiting times at individual National Car Test Centres – average less than 21 days	<21 days	√	√	√	√	√
Test accuracy	99.0%	99.1%	99.1%	99.1%	99.5%	99.0%
Customer satisfaction (Customer Performance Index)	80.0	84.3	83.5	82.8	84.6	84.4
Operational audit	90.0%	95.8	96.6	97.2	96.5	97.0
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 1 2015.

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

As shown in the table above:

- The average waiting time for 2016 was 4.7 days, which was comfortably within the target of 14 days.
- The test accuracy standard met the target of 99.0% for the year as a whole.
- The CPI (Customer Performance Index) for 2016 was 84.4, above the target of 80.
- Operational audit performance for 2016 was well above the target of 90%, at 97.0%.
- The standard requiring at least 80% of owners to be notified in advance was met.
- 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

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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	N
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	N
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

Performance adjustments for the current NCTS contract were set up, generally to be applied on a quarterly basis throughout the term of the contract. No performance adjustments, rectification or default notices were applicable for 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 total amount due to the Authority in respect of performance adjustment and profit share for the period 2010 – 2015 was €3.333m. This was paid in 2016.

The profit and loss accounts for ACTS, as per the Financial Statements for the financial year ending 31 December 2016 is summarised below, showing the key financial results.

Table 7.0 Profit and Loss Account 2016 and 2015

	2016 €	2015 €	Difference €	Difference %
Turnover	83,181,898	80,807,183	2,374,715	2.9%
Cost of Sales	(64,064,991)	(64,518,204)	(453,213)	(0.7%)
Gross profit	19,116,907	16,288,979	2,827,928	17.4%
Administrative expenses	(11,249,124)	(11,021,087)	228,037	2.1%
Operating profit	7,867,783	5,267,892	2,599,891	49.4%
Finance and other income	1,158,712	756,879	401,833	53.1%
Profit/(loss) before taxation	9,026,495	6,024,771	3,001,724	49.8%
Taxation	(1,486,387)	(607,870)	878,517	144.5%
Profit/(loss) for the year	7,540,108	5,416,901	2,123,207	39.2%

In 2016, NCTS recorded turnover of €83.2m, an increase of €2.4m or 2.9% from the prior year. National Car Testing income formed 94% of total income for 2016 with the majority of the remaining income coming from VRT Import Conformance Inspection testing.

NCTS recorded a profit before tax of €9.0m for 2016 representing an operating profit margin of 9.5% and a net (pre-tax) profit margin of 10.9%. This compares with a profit before tax of €6.0m for 2015. This resulted from higher revenue and lower cost of sales in 2016 compared with 2015.

Likewise the balance sheets for the company for the financial years ending 31 December 2016 and 31 December 2015 are summarised below, identifying the key balances and the year on year changes. These figures have been taken from Financial Statements for 2015 and 2016.

Table 7.1 Balance Sheets 2016 and 2015

	2016 €	2015 €	Difference €	Difference %
Non-Current assets				
Property, plant and equipment	4,774,229	6,187,128	(1,412,899)	(22.8%)
Intangible assets	156,831	108,494	48,337	44.6%
Deferred tax asset	106,349	382,517	(276,168)	(72.2%)
Amounts due from group undertakings	2,022,000	1,939,978	82,022	42.3%
	7,059,409	8,618,117	(1,558,708)	(18.1%)
Current Assets				
Trade and other receivables	23,836,771	16,644,107	7,192,664	43.2%
Cash and cash equivalents	2,386,919	74,191	2,312,728	3117.3%
Current corporation tax asset	0	181,214	(181,214)	n/a
	26,223,690	16,899,512	9,324,178	55.2%
Total Assets	33,283,099	25,517,629	7,765,470	30.4%
Equity				
Issued capital	3,010,000	3,010,000	-	-
Retained earnings	7,540,690	5,420,582	2,120,108	39.1%
Other reserve	365	0	365	n/a
Total Equity	10,551,055	8,430,582	2,120,473	25.2%
Non-Current Liabilities				
Provisions	325,000	325,000	-	-
	325,000	325,000	-	-
Current Liabilities				
Trade and other payables	22,237,887	16,762,047	5,475,840	32.7%
Current corporation tax liability	169,157	-	169,157	n/a
Total Liabilities	22,732,044	17,087,047	5,644,997	33.0%
Total Equity and Liabilities	33,283,099	25,517,629	7,765,470	30.4%

The value of non-current assets decreased by approximately €1.6m in 2016, largely as a result of a decrease in the value of property, plant and equipment and the deferred tax asset. The net book value of property plant & equipment decreased by €1.4m and the deferred tax asset decreased by €276k. The net book value of intangible assets (computer software) and the amounts due from group undertakings increased by €48k and €82k respectively.

Current assets increased by €9.3m overall, due to increases in the trade and other receivables, and cash and cash equivalents balances of €7.2m and €2.3m respectively. The current corporation tax asset decreased by €181k. The trade

and other payables balance has increased by €5.5m as at 31 December 2016. The company has remained in a net current asset position at 31 December 2016 and 31 December 2015.

Overall there has been an increase of 25.2% in the total equity held in the company from 2015 to 2016.

Conclusion

Turnover was €83.2m for the year compared with €80.8m for 2015. ACTS recorded an operating profit of €7.9m and profit before tax of €9.0m for 2016, representing an operating profit margin of 9.5%, and a net (pre-tax) profit margin of 10.9%. This compares with a profit before tax of €6.0m and net profit margin of 6.5% for 2015. A dividend of €5.4m was paid during the year.

Total equity was €10.6m. The company held cash and cash equivalents of €2.4m as at 31 December 2016, 3117% higher than the prior year. A loan of €2.0m was due from group companies as at 31 December 2016. The company held a net current asset position as at 31 December 2016.

Conclusions

2016 was the seventh year of operation since ACTS took over responsibility for delivering the National Car Testing Service. Demand for the service was lower than the previous year with approximately 1,466,000 full tests and almost 759,000 lane and non-lane retests completed during 2016.

The company met all performance standards during the year and no performance adjustments were applied.

The changes introduced during 2015, meant that the service was better prepared to meet the seasonally high demand in early 2016. Further changes introduced during 2016 meant that the service was well positioned to deal with peak demand expected in early 2017.

ACTS focussed on measures to help level seasonal demand. Voluntary early testing and other measures ensured that ACTS was able to maintain a high level of available capacity throughout the year.

Staffing levels were maintained at a relatively constant level throughout the year. Following a period of natural decline in numbers, approximately 25 additional vehicle inspectors were recruited in late 2016 in anticipation of increased seasonal demand during the first half of 2017.

Customers' overall level of satisfaction with the service, as measured by the customer performance index, remained high at 84.4, which was very slightly lower than the previous year's score of 84.6. 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 97.0%, comfortably above the target of 90%.

For the company's seventh year of full operation, ACTS recorded turnover of €83.2 million, an operating profit of €7.9 million and a profit before taxation of €9.0 million. A dividend of €5.4m was paid during the year.