

# National Car Testing Service

Annual Review  
2009

Final report

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# I Introduction

## General

- 1.1 Periodic roadworthiness testing of passenger cars and commercial vehicles is mandatory in all Member States of the European Community, in accordance with Directive 96/96/EC. National Car Testing Service Ltd (NCTS), a member of the SGS Group, is responsible for the operation of the car testing service in Ireland. It operates under a Project Agreement with the Minister for Transport by which it has been granted an exclusive licence to provide the service for 10 years until 2009.
- 1.2 The National Car Test (NCT) in Ireland has now been in place for 10 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.
- 1.3 The NCT was conducted at 43 purpose built test centres nationwide.
- 1.4 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).
- 1.5 This report reviews the operation and performance of NCTS during 2009, against the performance standards set out in the Project Agreement.

## Summary

- 1.6 The overall throughput of vehicles and pass/fail rates for the National Car Testing service in 2008 is summarised in the table below. This shows that 51.5% of vehicles obtained test certificates on first test. This was similar to the equivalent rate for 2008, which was 51.9%. 86.4% of re-tests requiring use of the test lane (brakes etc) obtained a test certificate compared with 86.6% in 2008. 99.2% of non-lane re-tests gained test certificates which is the same as percentage as 2008.

Year Total Tests 1,269,507 (2009)	Pass		Fail / Refusal		Fail / Dangerous		Total
No. of Full Tests	445,059	51.5%	412,886	47.8%	6,554	0.8%	864,499
No. of Lane Re-Tests	231,409	86.4%	35,886	13.4%	543	0.4%	267,838
No. of Non Lane Re-Tests	136,058	99.2%	1,099	0.8%	13	0.0%	137,170

**Table 1.0 Year 2009 Annual Throughput of vehicles**

Source: NCTS management reports

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

Test Centre	Pass		Fail		Fail / Dangerous		Total
		%		%		%	
Abbeyfeale	5,576	56.2	4,264	43.0	74	0.7	9,914
Arklow	6,275	44.6	7,704	54.7	102	0.7	14,081
Athlone	7,463	51.9	6,824	47.5	79	0.5	14,366
Ballina	4,769	46.8	5,346	52.5	66	0.6	10,181
Blarney	13,749	55.0	11,067	44.3	170	0.7	24,986
Cahir	8,892	52.6	7,875	46.6	125	0.7	16,892
Cahirciveen	1,162	58.7	806	40.7	10	0.5	1,978
Carlow	8,618	49.4	8,675	49.7	168	1.0	17,461
Carrick on Shannon	5,140	51.3	4,821	48.1	62	0.6	10,023
Castlerea	4,867	53.2	4,204	45.9	84	0.9	9,155
Cavan	4,422	46.7	4,966	52.5	72	0.8	9,460
Charleville	5,407	57.2	3,984	42.2	55	0.6	9,446
Clifden	1,051	42.0	1,434	57.3	17	0.7	2,502
Cork	23,774	54.8	19,340	44.6	274	0.6	43,388
Deansgrange	38,789	53.5	33,370	46.0	342	0.5	72,501
Derrybeg	1,710	49.5	1,725	49.9	21	0.6	3,456
Donegal Town	4,632	59.3	3,126	40.0	59	0.8	7,817
Drogheda	11,816	56.3	8,999	42.9	184	0.9	20,999
Dundalk	6,338	47.7	6,870	51.7	82	0.6	13,290
Ennis	9,412	48.9	9,578	49.7	264	1.4	19,254
Enniscorthy	11,461	52.4	10,224	46.7	201	0.9	21,886
Fonthill	37,260	48.9	38,345	50.4	522	0.7	76,127
Galway	20,542	49.9	20,256	49.2	357	0.9	41,155
Navan/Kells	9,910	51.5	9,180	47.7	154	0.8	19,244
Kilkenny	9,244	57.4	6,778	42.1	81	0.5	16,103
Killarney	6,846	56.7	5,165	42.8	59	0.5	12,070
Letterkenny	8,826	50.5	8,546	48.9	108	0.6	17,480

Test Centre	Pass		Fail		Fail / Dangerous		Total
		%		%		%	
<b>Limerick</b>	19,281	53.0	16,800	46.2	299	0.8	<b>36,380</b>
<b>Longford</b>	4,596	50.8	4,377	48.4	75	0.8	<b>9,048</b>
<b>Macroom</b>	5,991	53.6	5,095	45.6	90	0.8	<b>11,176</b>
<b>Monaghan</b>	4,079	48.9	4,212	50.5	47	0.6	<b>8,338</b>
<b>Mullingar</b>	5,782	49.8	5,699	49.1	132	1.1	<b>11,613</b>
<b>Newbridge/NAAS</b>	14,708	48.1	15,576	51.0	275	0.9	<b>30,559</b>
<b>Nenagh</b>	8,994	52.4	7,970	46.4	212	1.2	<b>17,176</b>
<b>Northpoint 1</b>	19,918	50.3	19,455	49.1	226	0.6	<b>39,599</b>
<b>Northpoint 2</b>	27,281	49.6	27,389	49.8	343	0.6	<b>55,013</b>
<b>Portlaoise</b>	6,888	50.2	6,580	48.0	249	1.8	<b>13,717</b>
<b>Skibbereen</b>	5,453	53.5	4,656	45.7	79	0.8	<b>10,188</b>
<b>Sligo</b>	5,102	44.7	6,230	54.6	71	0.6	<b>11,403</b>
<b>Tralee</b>	7,991	54.2	6,661	45.2	95	0.6	<b>14,747</b>
<b>Tullamore</b>	5,275	45.2	6,259	53.6	133	1.1	<b>11,667</b>
<b>Waterford</b>	12,910	53.0	11,222	46.0	240	1.0	<b>24,372</b>
<b>Westport</b>	7,861	54.8	6,352	44.2	144	1.0	<b>14,357</b>
<b>Youghal</b>	4,975	50.5	4,819	48.9	51	0.5	<b>9,845</b>

**Table 1.1 Year 2009 Test Centre Performance**

### **Top Five Vehicle Failure Items**

- 1.8 For 2009, the following are the top five failure items in descending order:-visual defect overall fails 40.4% (39.5% in 2008), light beam results 5.6% (6.12% in 2008), brake test fails 4.2% (4.4% in 2008), gas result fails 4.0% (4.10% in 2008) and dip beam left 3.6% (3.9% in 2008).
- 1.9 The five most prevalent visual reasons for refusal of a test certificate for 2009 were, in descending order:- front suspension 6.97%, tyre tread 6.75%, Brake line/ Hoses 5.98% tyre condition 5.01% and bodywork 4.34%.

## Customer Satisfaction Results

- 1.10 Overall, the NCT achieved the agreed performance standards of customer satisfaction. Customer perception was captured through a survey of vehicle owners whose car had been tested from April through to August 2009
- 1.11 The overall level of satisfaction (88%) with the service provided remains high but has slightly by a 1% margin on 2008. While it still falls short of the traditional standard of 90% (on average) achieved previously, nevertheless this remains a positive performance.
- 1.12 The CPI (customer performance index) for 2009 is 83.5 (This represents a decrease of 1.1 points since 2008). The CPI continues to fluctuate slightly, as demonstrated by a decline of 0.4 in 2007 and an increase of 0.6 in 2008.
- 1.13 Throughout the year 513 complaints were received representing less than 0.1% of people using the service. This was a slight decrease on the 622 recorded in 2008.

## Pricing Review

- 1.14 There was a pricing review carried out in early 2009 the outcome of which was an increase in test fees. The increased test fees and retest fees were implemented from 1 March 2005. The revised scale of fees was as follows: €50 for an initial test, €28 for a retest and €91 for a taxi suitability test. These fees had risen from €49 for an initial test, €27.50 for a retest and €90 for a taxi suitability test being the fees in place until the end of Jan 2009

## Overall Performance

- 1.15 Overall, the performance of the NCTS in 2009 achieved the required standard. In April, the service experienced a substantial increase in demand when it was announced that penalty points would apply to owners of vehicles without an NCT. This resulted in a derogation of a number of the service standards for a part of the year. The company met the required quality standards and revised performance targets and achieved a good customer satisfaction rating. The remainder of this report discusses, in more detail, the performance of NCTS in relation to the key performance measures.

## II Operational Audit

- 2.1 On 12th April 2009 the Minister for Transport announced a new regulation which would be introduced from 1st May 2009 would result in penalty points being issued where a car does not have a valid NCT certificate. This created an unprecedented demand for the service. In response to this unexpected demand NCTS extended the period over which they opened test booking slots to enable customers to make an appointment and extended the winter working period by two weeks i.e. Vehicle Inspectors worked 42.5 hour weeks as opposed 39 hour weeks as per the summer schedule.

### Methodology

- 2.2 The operational audit consists of regular reviews of all aspects of test centre operations against a wide-ranging set of criteria. It also includes reviews of procedures, centralised documentation, call centre operations, staffing and training records, information systems and management information.
- 2.3 The following table sets out the operational audit criteria and their relative weightings.

Area	Weighting
Premises	189
Staff qualification, training and presentation	40
Test equipment & IT	158
Test arrangements & customer service	20
Supervised test	250
<b>Section A Sub-Total</b>	<b>657</b>
Call centre	101
Information systems & management Information	26
Centrally measured processes	128
Centralised Documentation	88
<b>Section B Sub-Total</b>	<b>343</b>
<b>Total weighted score</b>	<b>1,000</b>

**Table 2.0 Operational Audit Criteria and Weightings**

### Summary

- 2.4 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. The weightings have been updated and scores adjusted to account for the derogation outlined above.
- 2.5 Table 2.1 below summarises the operational audit scores for 2009. The overall performance score was 94.5% which was an increase on 2008 (91.3%). Once again the company exceeded the standard of 90% as defined in the Project Agreement.



2.6 Table 2.1 highlights the operational audit scores at individual test centres (approximately 20 test centres chosen at random each month). These scores fell during the second half of the year mainly due to declining premises scores.

2.7 The performance in the Headquarters declined in the second half of the year in comparison to the first half.

Weighting	Area	2009 %	QTR 1	QTR 2 (Adjusted)	QTR 3 (Adjusted)	QTR 4
189	Premises	<b>89.3</b>	90.9	92.7	89.3	84.1
40	Staff	<b>98.5</b>	98.8	99.3	98.1	97.7
158	Test Equipment and IT	<b>94.7</b>	94.4	94.4	94.7	95.4
20	Test arrangements and customer service	<b>100.0</b>	100.0	100.0	100.0	100.0
250	Supervised test	<b>95.8</b>	94.4	95.4	94.5	98.9
<b>657</b>	<b>Section A (test centre) Sub-Total</b>	<b>93.8</b>	<b>93.8</b>	<b>94.8</b>	<b>93.4</b>	<b>93.7</b>
101	Call centre	<b>90.6</b>	88.0	88.9	100.0	85.4
26	Information systems and management information	<b>100.0</b>	100.0	100.0	100.0	100.0
128	Centrally measured processes	98.1	98.1	98.1	98.0	98.1
88	Centralised documentation	96.0	98.2	100.0	92.3	93.3
<b>343</b>	<b>Section B ( headquarters) Sub-Total</b>	<b>95.7</b>	<b>95.3</b>	<b>97.7</b>	<b>96.7</b>	<b>93.2</b>
<b>1,000</b>	<b>Total Weighted Audit Score for 2009</b>	<b>94.5</b>	<b>94.3</b>	<b>95.6</b>	<b>94.4</b>	<b>93.6</b>

**Table 2.1 Operational Audit Scores for 2009**

## Test Centre Audit (Section A)

2.8 Overall, the NCTS test centres achieved the standard required as measured through the operational audits. During the test centre inspections, the condition of the premises, and the availability and quality of the test centre equipment is checked as well as the attitude and presentation of staff. Vehicle inspectors' performance is also monitored and graded. During the year some 1,021 vehicle tests were observed as the vehicle Inspectors tested the cars. A further 250 vehicles were rechecked by SSC engineers following completion of their tests.

### Premises

2.9 The National Car Testing Service is required to be delivered from premises that are accessible to customers and fit for the purpose.

2.10 Generally, the company maintained the fabric of the premises to the expected standard during the year. The level of satisfaction for 'Comfort of waiting area' declined from 73% in 2008 to 70% in 2009. In addition, the operational audit score for Premises has fallen during the second half of 2009 from 92.7 for quarter 2 to 84.1 for quarter 4. These may have reflected a reduction of investment in the premises in the final year of the current contract.

### Staffing and HR

2.11 Overall staffing levels which include headquarters staff, test centre and call centre personnel decreased from 598.5 in December 2008 to 571 in December 2009. The number of vehicle inspectors and team leaders continued to increase during 2009, from 378 in January to 387 in December. The call centre headcount fell during 2009 from 104 in January to 90 in December. In meeting the key performance target of 90% of calls answered within 15 seconds it was noted

that this was achieved during all of 2009 with the exception of the months from April to July when there was a significant and unexpected spike in call volumes.

- 2.12 Recruitment programmes were ongoing throughout 2009 with a drive through advertisements in local papers for Vehicle Inspectors.
- 2.13 Annual training of all vehicle inspectors was completed in January 2009. This training covered elements of the test process and test equipment and an assessment of each inspector was conducted. Additional training throughout the year consisted of individual staff assessments conducted by the management team and senior inspectors.
- 2.14 Continuous staff assessments were carried out by the Management Team & Trainers throughout the year.

## **Test Equipment & IT**

- 2.15 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.
- 2.16 A key aspect of ensuring the accuracy of testing is to carry out regular consistency checks on all test equipment. Four sets of consistency checks were carried out during the year, with SSC engineers accompanying NCT regional technical staff on the second and fourth round of tests, held in June and December 2009.

## **Test Arrangements and Customer Service**

- 2.20 The quality of customer service is measured against a number of different criteria, by means of a telephone survey of approximately 1000 people who have recently had their cars tested. 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 2009 was 83.5, compared with a score of 84.6 in 2008. The overall CPI score for 2009 is the lowest score since 2005 (83.0) and is significantly lower than the score of 86.3 obtained in 2004. The score continues to exceed the 80 index points as set out under the customer service charter. The results of the survey are discussed further under section 4 of this report.

## **Observed Tests**

- 2.17 A key aspect of the operational audit process is an assessment of the quality of work carried out by vehicle inspectors. Throughout the year, the quality of inspection was maintained and this was reflected through the vehicle inspector (VI) scores, averaging 9.76 out of 10 for 2009 compared with 9.67 for 2008. Any areas of concern raised during the observations were pointed out to local management and reported regularly to the NCT for corrective action to be taken. This important criterion, directly impacting the quality of testing is discussed further in section 3.

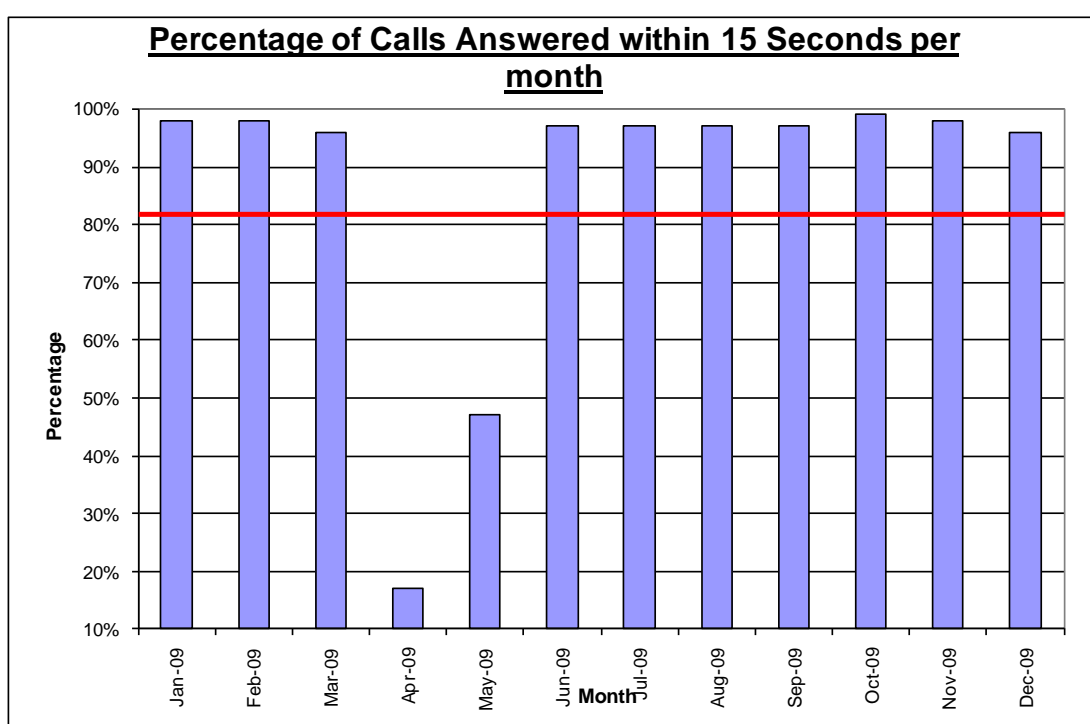
## **Section B - Headquarters Review**

- 2.18 Information that is held or managed centrally was reviewed during the headquarters reviews which were conducted on a Quarterly basis. Operational audit scores for this part of the framework ranged from 93.2% in Quarter 4 to 97.7 % in Quarter 2.
- 2.19 Scores within the call centre section remained relatively high during quarters 1 and 2 with scores of 88.0%, and 88.9% respectively, before reaching 100% for quarter 3 then falling to 85.4% for quarter 4. The operational audit scores for Information systems and management information, were consistently 100% throughout 2009 as shown in Table 2.1. Centrally managed processes scores remained relatively static at 98.1 throughout the year and

centralised documentation scores were high in the first 2 quarters reaching 100% for quarter 2 before falling to 92.3 and 93.3 for quarter 3 and quarterly 4 respectively.

## Call Centre

- 2.20 Overall, the call centre met the required service level of 90% of calls answered within 15 seconds. The overall result for 2009 was 75.8%, compared with 90.5% for 2008. The call centre achieved the service level during in the final two Quarters of 2008.
- 2.21 Call centre performance for January was above the previous year at 98%. During April and May the call centre performance was below target as shown in chart 2.0. This was a result of an unexpected spike in call volumes when the Minister for Transport announced a new regulation introduced from 1<sup>st</sup> May 2009 which would result in penalty points being issued where a car does not have a valid NCT certificate. The performance targets were met each month during quarter 3 and quarter 4 2009.



**Chart 2.0 Percentage of calls answered within 15secs per month**

- 2.22 Annual figures for call centre performance showed that the company received approximately 1.6 million calls, which is an increase of approximately 200,000 when compared with 2008. Call volumes increased by 19.8% in the first six months relative to 2008 i.e. 974,210 compared to 812,855.
- 2.23 Internet booking transactions accounted for approximately 13% of transactions during the year which is up 2% on 2008 and up 5% on 2007.
- 2.24 During 2009 28% of Full tests were confirmed by SMS (that were sent by NCT) compared to 44% in 2008 and 45% in 2007. The use of SMS is linked to the agent's performance. A booking is sent by SMS following an agent's intervention i.e. when the customer calls for a booking.

## Information Systems and Management Information Processes

- 2.25 The investment in the IT infrastructure continued in 2009 with the emphasis being on the reporting systems expansion and improvement. Investments included the following –

- The on-line management reporting system was expanded to include a number of reports.

## Centrally Measured Processes

- 2.26 The overall performance score for centrally measured processes was 98.1 for 2009 which is above the 2008 score (92.5). The reduced score in 2009 was due to testing lead times being longer than the required standard for parts of the year. The main elements of centrally measured processes include measurement of lead-times for tests and retests, waiting times at test centres and evidence that procedures for handling complaints appeals and general correspondence are effective.
- 2.27 The booking lead-time for full tests achieved the required service level over the year. On average, test appointments could be booked within 35 days from the time of request, compared with the service level standard of 14 days required for the service. While meeting the standard this represented a worsening of the position from that achieved over the past few years as shown in Table 6.0 in Section VI.
- 2.28 95 vehicles were kept waiting longer than 1 hour compared with 137 vehicles in 2008.

## Centralised Documentation

- 2.29 This criterion covers a range of issues including:
- confirmation of qualification of vehicle inspection staff;
  - maintenance of company records for test equipment calibration and safety compliance; and
  - operation of the company's plant maintenance system.
- 2.30 The operational audit scoring for this section was 96.0 in 2009 compared with 94.9 in 2008.

## Summary

- 2.31 In its tenth year of operation, the company's performance, measured by the operational audit, was 94.5%, which was above the outcome achieved in 2008 (91.3%). This represents a continued achievement of standards across a wide range of individual criteria.

## III Observed Test Inspections

### Methodology

- 3.1 The methodology for observing test inspections independently is based on a random selection of test centres and vehicle inspectors for unannounced inspection visits. 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 as to whether or not any anomalies found would have changed the outcome of the test result.
- 3.2 The SSC aims to observe the testing of approximately 1,000 vehicles throughout the year. During 2009 some 1,021 vehicle tests were observed. These covered approximately 20 test centres each month.
- 3.3 The following table sets out a summary of the number of test centres, test lanes, vehicle inspectors and vehicle tests observed. On average, vehicle inspectors were observed carrying out 3 tests, on 2/3 different occasions throughout the year.

2009	Jan	Feb	Mar	April	May	June	Jul	Aug	Sep	Oct	Nov	Dec	Total
No. of Test Centres	24	17	19	19	21	23	22	20	19	26	20	14	244
No. of Test Lanes	41	34	38	35	41	37	36	31	30	49	42	33	447
No. of Vehicle Inspectors observed	103	66	80	66	96	86	76	67	71	97	84	56	948
No. of Vehicles	111	67	82	68	96	89	80	72	74	124	101	57	1,021

**Table 3.0 Test Centres, Test Lanes, Vehicles Inspectors observed in 2009**

- 3.4 The results of the observed tests are communicated to the local supervisor/team leader at the time of the review and to NCTS senior management on a monthly basis. The methodology is based on completing more than one observed test for each vehicle inspector, and reporting the lowest score.
- 3.5 For the year as a whole:
- 2.1% (21) of vehicle inspectors scored zero due to failing to identify a 'major' item or a least 6 'minor' items, compared with 3.2% (32) incidents in 2008 and 5.2% (51) in 2007;
  - 4 vehicle inspectors scored 3 (omitted 5 minor items), compared with none in 2008 and one in 2007;
  - One vehicle inspector scored 6 (omitted up to 4 minor faults), compared with 3 in 2008 and 1 in 2007;
  - No vehicle inspectors omitted up to 2 faults (score 9), which is the same as the 2008 and 2007 outcomes and a decrease from the 2.5% recorded in 2006; and
  - 97.4% of vehicle inspectors audited scored maximum points, which above the 96.5% in 2008 and 94.6% in 2007.

Category	Score	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Very Good (0 faults omitted)	10	109	64	82	65	93	86	73	72	71	113	95	54	977
Good (<=2 faults omitted)	9	0	0	0	0	0	0	0	0	0	0	0	0	0
Adequate (<=4 faults omitted)	6	0	0	0	0	0	0	1	0	0	0	0	0	1
Poor (5 minor items omitted)	3	0	0	0	0	0	0	0	0	0	1	2	1	4
Unacceptable (any major item or 6 minor items omitted)	0	2	2	0	1	3	0	2	0	0	5	4	2	21
<b>Check Test Totals</b>		<b>111</b>	<b>66</b>	<b>82</b>	<b>66</b>	<b>96</b>	<b>86</b>	<b>76</b>	<b>72</b>	<b>71</b>	<b>119</b>	<b>101</b>	<b>57</b>	<b>1,003</b>

**Table 3.1 Vehicle Inspector performance rating for 2009**

- 3.6 Overall the quality of testing observed has been very good. The number scoring top marks (97.4%) was above the 2008, 2007 and 2006 scores. An average score of 9.76 out of 10 was achieved overall, representing a good performance for the quality of work carried out by the vehicle inspectors.
- 3.7 2.1% of vehicle inspectors were rated poor or unacceptable which is a decrease on the 3.2% for 2008 and 5.2% recorded in 2007. However, this is still above the 1.6% in 2005. In each case where the vehicle inspectors were deemed to carry out the observed test inadequately, the matter was drawn to the attention of the team leader and to NCTS senior management. 21 Instances of poor performance were recorded during 2009 and usually related to matters of detail such as;
- Failing to ensure that tyre pressures or tyre rotation were checked in accordance with procedure;
  - Failure to observe PAS or brake fluid levels;
  - Faults not recorded;
  - Failure to identify VIN on vehicles appropriately;
  - incorrect VI number on display; and
  - safety equipment not being worn.
- 3.8 The 1,021 vehicles included in the supervised test inspections 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.
- 3.9 For the automated test elements, the pass/fail rates for the sample showed consistency with the overall rates for the vehicle population. There was no material difference across the general elements of the test with the Idle Hydrocarbon Gas test showing the failure rate for AA observed inspections being 1.96% above the for the general population of vehicles. Although there was no significant difference in particular elements, taken as a whole the level of failures due to visual defects was higher for the sample. This appears to indicate that when being observed, there is a slightly greater tendency to fail borderline cases. When 2009 results are compared to 2008 results there are again no appreciable difference in general comparable results.
- 3.10 No pass/fail decisions were overturned as a result of failure items being omitted, or included in error, during the observed tests.

## Independent check tests

- 3.11 250 vehicles were checked independently by the SSC during the year and achieved an average score of 10 out of 10 which is the same as the score for 2008. These were drawn, at random, from tests completed immediately prior to unannounced visits. For the 250 vehicles checked independently, there were 3 instances of incorrect test results were identified compared with none in 2008 and 2 in 2007.



## IV Customer Satisfaction Survey

- 4.1 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 PricewaterhouseCoopers International Survey Unit, is to measure levels of customer satisfaction with the main aspects of service provided by NCTS.

### Methodology

- 4.2 The 2009 survey represents the 10<sup>th</sup> wave of measurement of levels of customer satisfaction with the main aspects of the NCTS service. This current survey was conducted with members of the general public who recently had their vehicle tested by the NCTS.
- 4.3 The 2009 survey was conducted in 2 tranches, the first tranche was conducted with members of the public who had their car tested between the months of April and May 2009, and the second was drawn from tests conducted in July 2009. The sample was randomly selected from NCTS' customer database for the corresponding periods and was representative in terms of the national first time pass rate for the year to date, which was 52% (period 1<sup>st</sup> January - 30<sup>th</sup> September 2008). Customers from all NCTS test centres were surveyed throughout the fieldwork period
- 4.4 The survey was administered using a structured questionnaire via PricewaterhouseCoopers' computer aided telephone interviewing (CATI) system. The questionnaire was consistent with that used for the NCTS annual customer satisfaction survey in previous years and contained a series of questions dealing with the level of importance and satisfaction with a range of issues that an NCTS customer would expect to encounter.

### Analysis

- 4.5 The questionnaires were analysed using the SPSS computer statistical package, the standard statistical package designed for the purposes of market research.
- 4.6 A key feature of our analysis is the calculation of a Customer Performance Index (CPI). This index summarises the overall performance of NCTS in 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.

### Key findings

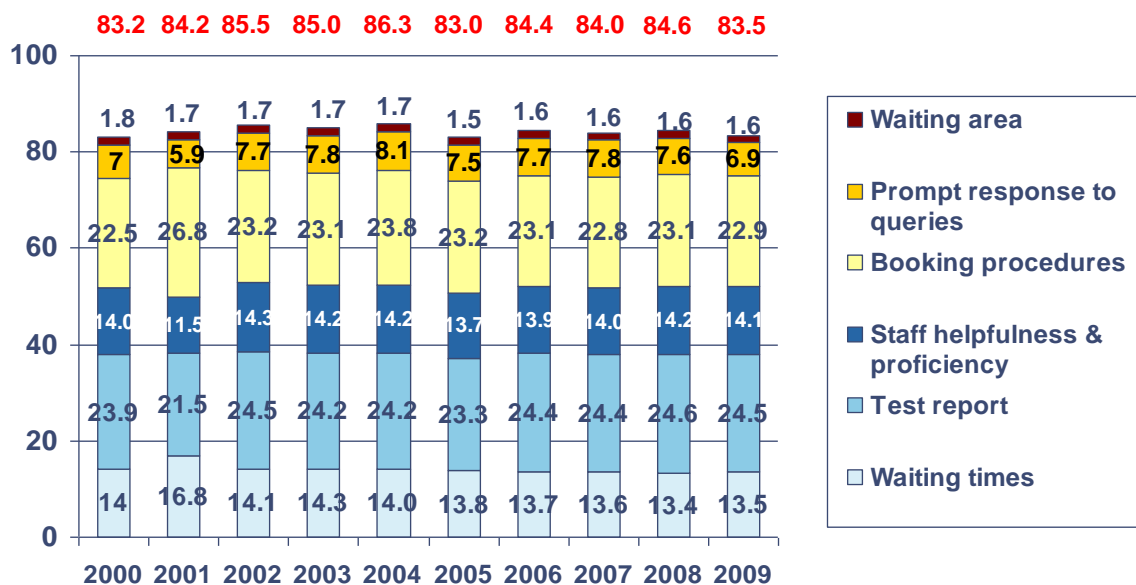
### Respondent Profile

- 4.7 The profile of respondents exhibits the same broad pattern since monitoring began in 2000. The majority (80%) of respondents presenting their car for testing are over the age of 35 years. Only 20% of respondents are aged 35 years or younger; whereas those aged 50 years or older represent 46% of the total. Those in the 26 – 49 years age bracket represent just under half (47%) of the total.

### Customer Performance Index

- 4.8 The CPI achieved in the first year of operating was 83.2. This increased consistently throughout the subsequent years of monitoring until 2004 (despite the slight downturn in the overall CPI value for 2003). The year 2005 saw a decline to 83.0 however this improved by 1.4 in 2006 to 84.4, falling by 0.4 in 2007. In 2008 the CPI rating increased slightly to 84.6. However, in 2009 it has fallen by 1.1 to 83.5 which is the lowest observed CPI rating since 2005 but is well above the service standard score of 80 as set out in the customer charter.

## Customer Performance Index



## Overall Satisfaction

- 4.9 Respondents were asked to rate their satisfaction with various aspects of service on a five point scale, where one is 'very dissatisfied' and five is '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 2009 (%)	Overall satisfaction 2008 (%)
Information on booking procedures	999	31	51	82	83
How straightforward it was to confirm test	991	26	66	92	91
Helpfulness of staff when confirming test	871	22	69	91	92
Length of time had to wait for test appointment	985	26	40	66	67
Length of time taken to respond to telephone queries	571	29	52	81	91
Length of time taken to respond to written queries	171	39	33	72	80
Registration and payment procedures at test centre	987	27	60	87	88
Helpfulness of reception staff	986	23	66	89	90
Length of time had to wait at test centre	989	29	61	90	89
Cleanliness of waiting area	979	30	55	85	85
Comfort of waiting area	971	32	38	70	72
Helpfulness of staff member who carried out test	965	23	68	91	92
Ability to carry out test professionally	893	24	67	91	93
Ability to answer questions on test result	731	25	64	89	89
Test report itself	982	28	59	87	88
Length of time had to wait for re-test	364	35	51	86	78

- 4.10 Whilst overall levels of satisfaction are high, an important differential is in relation to the percentage of respondents who were 'quite satisfied' as opposed to 'very satisfied'. Whereas 'very satisfied' usually indicates complete satisfaction with a particular aspect of service, 'quite satisfied' suggests that there is still scope for improvement. Only one of the 16 criteria saw the percentage very satisfied increase during 2009 compared with 2008.

- 4.11 Three areas of service have seen improvements from 2008 based on overall satisfaction scores (noting however, that there is a +/- 3% margin on the results given the sample size used). These are :

- (i) How straightforward it was to confirm a test (92% vs. 91%);
- (ii) Length of time had to wait at test centre (90% vs. 89%); and

- (iii) the length of time had to wait for retest (86% vs. 78%).
- 4.12 Length of time customers had to wait for a test appointment is the lowest scoring aspect of service at 66% overall satisfaction. This follows the trend in the past 3 years where this attribute saw the decline from 76% in 2006 to 68% in 2008 and 67% in 2007 scores to 68%. This represents a considerable declining trend when compared with the 2005 score of 82%. (These scores reflect the fact that testing has been behind schedule for much of 2007, 2008 and 2009 due to a high level of additional demand, not predicted by analysis of the transfer files from NVDF)
- 4.13 Length of time taken to respond to telephone queries saw the greatest decline from 91% in 2008 to 81% in 2009. This score also reflects the significant and unexpected peak in call volumes resulting from the Minister for Transport's announcement in April 2009 as discussed above.
- 4.14 Eleven aspects have lower overall satisfaction this period than in 2008 (noting however, that there is a +/- 3% margin on the results given the sample size used):
- Information on booking procedures (82% vs 83%)
  - Helpfulness of staff when confirming test (91% vs 92%)
  - Length of time customers had to wait for a test appointment (66% vs. 67%)
  - Length of time taken to respond to telephone queries (81% vs 91%)
  - Length of time taken to respond to written queries (72% vs. 80%)
  - Registration and payment procedures at test centre (87% vs. 88%)
  - Comfort of waiting area (70% vs. 72%)
  - Helpfulness of staff member who carried out test (91% vs 92%)
  - Ability to carry out test professionally (91% vs 93%)
  - Test report itself (87% vs 88%)
- 4.15 'Ability to answer questions on test result' and 'Cleanliness of waiting area' achieve the same score as the 2008 ratings.
- 4.16 Satisfaction with the overall service received from NCTS remains high with 88% stating that they were 'quite satisfied' or 'very satisfied' with the overall service. This outcome is lower than the observed level in 2008 (89%) but slightly higher than the observed level in 2007 (87%). The percentage expressing dissatisfaction remains consistently low at less than 4%.

## Value for Money

- 4.17 The perceived value for money of NCTS has fallen considerably, with 54% rating the service as 'very good' or 'quite good' value for money in 2009, (versus 64% in 2008 and 66% in 2007). However, a growing number of respondents (30% in 2009 versus 25% in 2008 and 20% in 2007) fall into the neutral 'neither/nor' category.
- 4.18 When asked why they felt NCTS offered perceived poor value for money, 60% of respondents stated that the NCTS test 'costs too much', which compares to 45% of respondents in 2008.

## Conclusion

- 4.19 Overall, satisfaction with the services provided by NCTS remains high, with 88% of respondents stating that they were either 'very' or 'quite' satisfied. This is below the 2008 result of 89% but above the 2007 result (87%). Again, contentment was highest amongst those owners whose car passed its test first time around (92%), compared to those whose car had failed the test first time (84%).
- 4.20 The 'length of time (respondents) had to wait for a test appointment' was the most dissatisfactory aspect of the service with an index of 66. This was a drop in score of 1.0 from 2008. 'The length of time had to wait for a re-test' increased by 8 to 86.
- 4.21 Three areas showed an improvement in satisfaction, while another eleven showed a decline in satisfaction with the remaining two areas remaining consistent.

## V Complaints and Appeals

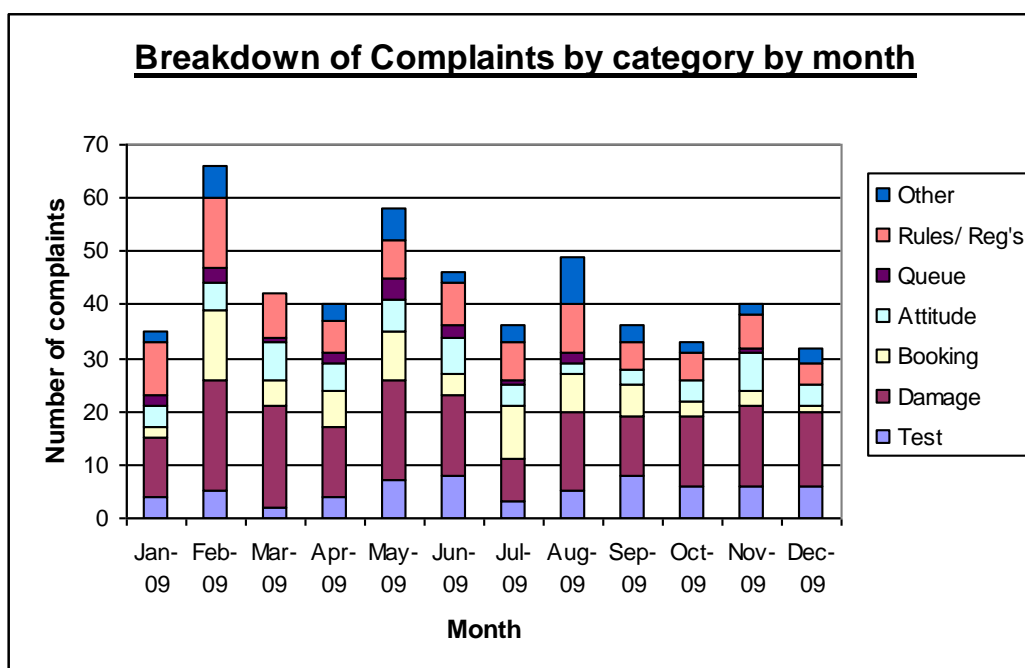
### Customer Complaints

- 5.1 Customer complaints are recorded under a number of categories set out in the summary table below. From the outset, NCTS have used a Lotus based software application 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.
- 5.2 During 2009 there were 513 customer complaints, which was a decrease on the total number of complaints received in 2008 (622). However, the total number of complaints as a percentage of total tests taken was 0.04%. This was slightly lower than the 2008 result (0.05%) and well below the maximum target set at 0.2%.

Complaint category	Total
Test (conduct of test/results)	64
Damage (or loss to property)	144
Bookings (& call centre)	70
Attitude (of staff)	58
Queue (delays at test centre)	18
Rules/Regulations	88
Other	41
<b>Total</b>	<b>513</b>
As a % tests Conducted	0.04%

**Table 5.0 Year 2009 customer complaints (by category)**

- 5.3 34% of the complaints related to Vehicle damage or loss of customer property. Rules and Regulations accounted for 17% in 2009 which is similar to 2008 (16%) and a significant decline on the 34% recorded in 2006. This category includes complaints relating to such issues as expiry date of test certificate, retest validity periods and test content.



**Chart 5.0 Year 2008 customer complaints (by category)**

## Appeals

- 5.4 The Independent Appeals Board received 39 appeals throughout 2009, 8 appeals were upheld after investigation, 30 were rejected, 1 did not come under the remit of the Independent Appeals Board as they referred to administrative errors and vehicle damage.
- 5.5 The upheld appeals related specifically to the following areas;
- Corroded brake lines;
  - Interior Mirrors; and
  - Modified wheelchair accessible vehicle modifications.

## Conclusion

- 5.6 The number of complaints received by NCTS has continued to fall as a proportion of tests conducted and the company has adopted a consistent approach to dealing with them. The establishment of an Independent Appeals Board provides a more independent environment for the resolution of customer issues, for the small number of cases that require additional investigation.

## VI Performance Management

### Performance Standards Achieved

- 6.1 On 12th April 2009 the Minister for Transport announced the enactment of a regulation to be introduced from 1st May 2009, resulting in penalty points being issued where a car does not have a valid NCT certificate. This created an unprecedented demand for the service. As result of this unexpected demand NCTS were given a derogation from the requirement to give a customer a free test if they could not provide a test date within 28 days and a number of other annual standards were relaxed. The relaxation of standards are shown in the table below.

In response to this unexpected demand NCTS extended the period over which they opened test booking slots to enable customers to make an appointment and extended the winter working period by two weeks i.e. Vehicle Inspectors worked 42.5 hour weeks as opposed 39 hour weeks as per the summer schedule.

The Key Performance standards were adjusted as follows, based on the premise that it would be last quarter of 2009 before testing schedules would return to normal.

Normal Performance Standard	2009 Revised Performance Standard
Average waiting time for test bookings less than 14 days	No performance adjustment was applied to NCTS if they failed to meet this performance standard in 2009,
Average waiting time for test bookings less than 21 days	No performance adjustment was applied to NCTS if they failed to meet this performance standard in 2009.
Level of customer satisfaction with the National Car Testing service as defined by Composite Customer Performance Index must equal 80 per cent.	The performance adjustment mechanism would have applied if an overall CPI of 77 had not been achieved.
Average composite index of performance resulting from operational audits of National Car Test Centres must equal 90 per cent.	The performance adjustment mechanism would have applied if an overall operational audit score for the year had been less than 86.75.



6.2 The following table sets out the company's achievement against the standards of performance required.

Performance Standard	Target	Actual 2000	Actual 2001	Actual 2002	Actual 2003	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Actual 2009
Waiting times (full slots) for bookings – average less than 14 days	<14 days	6.1 days	13.5	9.7	9.1	7.8	10.7	11.4	13.1	13.4	N/ A (35.1)
Waiting times at individual National Car Test Centres – average less than 21 days	<21 days	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A
Test integrity	99.0%	99.7%	100.0%	99.9%	100.0%	99.9%	99.5%	99.0%	99.9%	99.0%	99.7%
Customer satisfaction (Customer Performance Index)	80.0	83.2	84.2	85.5	85.0	86.3	83.0	84.4	84.0	84.6	83.5
Operational audit	90.0%	89%	90.1%	93.3%	95.1	96%	95.8%	94.7	90.8	91.3	94.5
Notification of results		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
90% of calls answered within 15 secs.	90.0%	88.0%	65.0%	88.0%	93.0%	92.0%	93.0%	90%	92%	90%	76%

**Table 6.0 Year 2008 NCT achievement against Performance Standard**

✓ - Denotes satisfactory result by reference to the performance standards

6.3 The CPI (Customer Performance Index) for 2009 was 83.5 which was a slight decrease on the 2008 survey (84.6) but was significantly higher relaxed standard (77) and higher than the CPI target of 80.

6.4 Operational audit performance for 2009 was above the target of 90% at 94.5%, and was also an increase on the 2008 score of 91.3%.

6.5 Call centre performance achieved the targeted performance level in 8 months in 2009 with an overall performance of 75% which was a significant decrease on the 90.5%, achieved in 2008. This was due to the increased demand on the call centre as a result of the introduction of penalty points.

6.6 Notification of test results continued to be forwarded weekly to NVDF in line with the service level agreement.

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

Performance area	Key performance standard	Performance points	Performance bands	Performance adjustment criteria	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	0.0 0.5% of total turnover 1.0% of total turnover 1.5% of total turnover	0
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	0.0% 0.5% of centre turnover 1.0% of centre turnover 1.5% of centre turnover	0
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	0.0% 0.5% of total turnover 1.0% of total turnover 1.5% of total turnover	0
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	0.0% 0.5% of total turnover 1.0% of total turnover 1.5% of total turnover	0
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	0.0% 0.5% of total turnover 1.0% of total turnover 1.5% of total turnover	0
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	0.0% 0.5% of total turnover 1.0% of total turnover 1.5% of total turnover	0

**Table 6.1 Performance Standards and the Performance Adjustment Criteria**

- 6.8 As a result of achieving the required standards, no performance adjustment is applicable to NCTS in respect of their overall performance during 2009.

### **Rectification & Default Notices**

- 6.9 The company received no rectification or default notices during 2009.

### **Quality Accreditation**

- 6.10 The company retained its ISO 9001 accreditation during the year.

### **Conclusion**

- 6.11 In 2009 NCTS retained their ISO 9001 and met all performance standards including those standards revised following the increased demand as a result of the introduction of penalty points for not having a valid NCT in April 2009.

## VII Financial Matters

- 7.1 In this section of the report we comment on the overall financial results of the company. The purpose and scope of our work as 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. The company's appointed auditors are Deloitte & Touche.
- 7.2 We, as SSC, monitor the financial performance of the company on a monthly basis with reference to the management accounts and discuss the monthly performance and key variances against budget with the company accountant at monthly review meetings.
- 7.3 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.
- 7.4 We obtain the annual un-audited financial statements as soon as they become available and reconcile these to the year end management accounts, as well as confirming the consistency between the un-audited and audited financial statements, once available. Once the 10 year financial model has been updated for historic actual and revised forecast information, we consider both the inputs to the model and the resulting outputs and, in particular, the revised forecast project IRR. As well as revised performance indicators for the 10 year contract period, the outputs from the updated financial model include a budget for the following year.
- 7.5 Other aspects of our work include 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 Department.
- 7.6 The profit and loss accounts for the company, as per the Audited financial statements, for the financial years ending 31 December 2009 and 31 December 2008 are summarised below, showing the key financial results and the year on year changes. The company ceased to trade as at 23 December 2009 as a new contractor took over responsibility for delivering National Car Testing in Ireland from 2010 onwards. As such, the financial statements were not prepared on the going concern basis.

	<b>2009 €</b>	<b>2008 €</b>	<b>Difference €</b>	<b>Difference %</b>
<b>Turnover</b>	<b>43,458,587</b>	<b>42,009,038</b>	<b>1,449,549</b>	<b>3.5%</b>
Administrative costs	(34,810,364)	(36,360,989)	1,550,625	-4.3%
<b>Operating profit</b>	<b>8,648,223</b>	<b>5,648,049</b>	<b>3,000,174</b>	<b>53.1%</b>
Interest payable and similar charges	-	-		
Interest receivable and similar income	62,299	170,639	-108,340	-63.5%
<b>Profit on ordinary activities before taxation</b>	<b>8,710,522</b>	<b>5,818,688</b>	<b>2,891,834</b>	<b>49.7%</b>
Tax on profit on ordinary activities	(1,601,000)	(746,868)	-854,132	114.4%
<b>Profit on ordinary activities after taxation</b>	<b>7,109,522</b>	<b>5,071,820</b>	<b>2,037,702</b>	<b>40.2%</b>

**Table 7.0 Financial comparison - Profit and Loss Accounts 2009 and 2008**

- 7.7 In 2009, NCTS turnover increased by €1.45 million to €43.5 million while the administrative costs decreased over the year with the overall effect that the operating profit increased by €3 million. Overall the number of tests was higher in 2009 than 2008 for full tests, retests and for non-lane re-tests which has resulted in higher total income.
- 7.8 Within administrative costs, staff costs were higher in 2009 than in 2008 by €0.3 million. The average number of staff in 2009 remained the same at 2008 at 518. Other operating costs decreased by €1.8 million and depreciation fell by €0.1 million while interest receivable fell by €0.1 million during the year.
- 7.9 Profit before tax was up €2.9 million (49.7%) from 2008 and profit after tax by €2.0 million (40.2%).
- 7.10 Likewise the balance sheets for the company for the financial years ending 31 December 2009 and 31 December 2008 are summarised below, identifying the key balances and the year on year changes. These figures have been taken from the 2009 audited financial statements which include 2008 comparatives.

	2009 €	2008 €	Difference €	Difference %
<b>Fixed assets</b>	-	1,433,237	-1,433,237	-100.0%
<b>Current assets:</b>				
Debtors	4,410,445	3,678,254	732,191	19.9%
Cash at bank and in hand	11,093,659	3,699,049	7,394,610	199.9%
	<b>15,504,104</b>	<b>7,377,303</b>	<b>8,126,801</b>	<b>110.2%</b>
Creditors (<1 yr)	(5,463,320)	(5,879,278)	415,958	-7.1%
<b>Net current assets/(liabilities)</b>	<b>10,040,784</b>	<b>1,498,025</b>	<b>8,542,759</b>	<b>570.3%</b>
<b>Total assets less current liabilities</b>	<b>10,040,784</b>	<b>2,931,262</b>	<b>7,109,522</b>	<b>242.5%</b>
Creditors (>1 yr)	-	-	-	-
<b>Net assets</b>	<b>10,040,784</b>	<b>2,931,262</b>	<b>7,109,522</b>	<b>242.5%</b>
Called up share capital	2,748,753	2,748,753	0	0.0%
Capital conversion reserve fund	43,401	43,401	0	0.0%
Profit and loss account	7,248,630	139,108	7,109,522	5110.8%
<b>Equity shareholders' funds</b>	<b>10,040,784</b>	<b>2,931,262</b>	<b>7,109,522</b>	<b>242.5%</b>

**Table 7.1 Financial comparison – Balance Sheets 2009 and 2008**

- 7.11 The net book value of fixed assets decreased to zero as assets were disposed of to the new contractor at year end.
- 7.12 Current assets have increased by €8.6 million overall, and the main reason for this is the increase of €7.4 million in the cash balance held to €11.1 million. Total debtors have increased slightly to €4.4 million. Creditor balances due within one year have decreased by €0.4 million which results from a combination of decreases of €0.6 million and €1.0 million in trade creditors and accruals respectively and increases of €0.7 million and €0.5 million in tax and social welfare creditors and amounts due to group undertakings respectively.
- 7.13 The company has remained in a net current asset position from 2008 to 2009. As in 2007 and 2008, there are no long term creditors.
- 7.14 Overall there has been a 242.5% increase in the net worth of the company from 2008 to 2009 and this change in the equity shareholders' funds is equal to the profit of €7.1 million retained for the year after tax.

## Pricing

- 7.15 Test fees were increased to €50.00 for a full test, and €28.00 for a re-test in February 2009 following the VAT increase in December 2008.

## Conclusion

### Financial Performance

- 7.16 In summary, 2009 was a year that saw increased turnover of 3.5% from 2008 and a decrease in administration costs of 4.3% over the same period resulting in increased operating profit of 53.1%. There was a profit before taxation in excess of €8.7 million and no dividend was paid during the year (2008. €2.36 amounting to €5.2 million).

## VIII Conclusions

- 8.1 2009 was a year of good performance for the company, despite some challenging circumstances following the Minister for Transport announcing that from 1st May 2009, that where a car does not have a valid NCT certificate penalty points could be issued. This resulted in unprecedented demand on the service
- 8.2 The overall staffing levels have increased across the year which has been primarily driven by the recruitment of Vehicle Inspectors. The increased level of staffing is in response to the desire to reduce waiting times.
- 8.3 Overall, satisfaction with the services provided by NCTS remains high, with 88% of respondents stating that they were either 'very' or 'quite' satisfied.
- 8.4 In 2009 NCTS retained their ISO 9001 and met all performance standards relaxed Full test lead times for the service as a whole and by individual test centre had been introduced during the year due to the increased demand as a result of the introduction of penalty points for not having a valid NCT in April 2009.
- 8.5 In terms of financial performance, 2009 was a year that saw increased turnover of 3.5% from 2008 and a decrease in administration costs of 4.3% over the same period resulting in increased operating profit of 53.1%. There was a profit before taxation in excess of €8.7 million and no dividend was paid during the year (2008. €2.36 amounting to €5.2 million).
- 8.6 This was the final year of the 10 year contract which commenced operation in January 2000 run by National Car Testing Service Limited. The service was handed over to the successor contractor at the end of the year.