



National Car Testing Service

Annual Review 2014

September 2015

Údarás Um Shábháilteacht Ar Bhóithre
Road Safety Authority

Table of Contents

1 Introduction	3
2 Operational Audit	7
3 Observed Test Inspections	11
4 Customer Satisfaction Survey	14
5 Complaints and Appeals	17
6 Performance Management	19
7 Financial Matters	22
Conclusions	25

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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 15 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 2014.

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 2014, 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 2014 is summarised in the table below. This shows that 49.11% (48.07% including failure for non-presentation of ID) of vehicles obtained test certificates on first test. This was slightly higher than the equivalent rate for 2013, which was 48.07%. 86.33% of re-tests requiring use of the test lane (brakes, headlamps, emissions etc.) obtained a test certificate compared with 86.12% in 2013. 99.46% of non-lane re-tests gained test certificates, compared with 99.28% in 2013.

Table 1.0 Year 2014 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	452,461	33.36%	197,754	14.71%	230,187	17.12%	651	0.05%	13,982	1.04%	445,084	33.11%	4,149	0.31%	1,344,268
No. of Lane Re-Tests	244,378	56.76%	125,671	29.19%	12,810	2.98%	74	0.02%	1,623	0.38%	45,267	10.51%	724	0.17%	430,547
No. of Non Lane Re-Test	154,888	61.51%	95,534	37.94%	1,351	0.54%	26	0.01%	19	0.01%	0	0.0%	0	0.01%	251,818
Total	851,727	42.03%	418,959	20.67%	244,348	12.06%	751	0.04%	15,624	0.77%	490,351	24.20%	4,873	0.24%	2,026,633

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	8,236	52.3%	151	1.0%	7,311	46.4%	48	0.3%	15,746
Arklow	13,776	50.5%	321	1.2%	13,117	48.1%	69	0.3%	27,283
Athlone	8,566	50.0%	231	1.3%	8,275	48.3%	48	0.3%	17,120
Ballina	7,291	46.2%	153	1.0%	8,274	52.5%	53	0.3%	15,771
Ballinasloe	6,900	52.7%	113	0.9%	6,043	46.2%	27	0.2%	13,083
Cahir	14,037	48.6%	249	0.9%	14,501	50.2%	94	0.3%	28,881
Cahirciveen	1,753	48.5%	29	0.8%	1,821	50.4%	8	0.2%	3,611
Carlow	12,361	44.7%	222	0.8%	14,947	54.1%	122	0.4%	27,652
Carndonagh	2,875	45.4%	82	1.3%	3,343	52.8%	28	0.4%	6,328
Carrick-on-Shannon	5,296	44.1%	96	0.8%	6,578	54.8%	31	0.3%	12,001
Castlerea	6,713	44.8%	150	1.0%	8,063	53.8%	67	0.4%	14,993
Cavan	7,012	44.9%	118	0.8%	8,468	54.2%	28	0.2%	15,626
Charleville	9,251	53.5%	143	0.8%	7,831	45.3%	59	0.3%	17,284
Clifden	1,503	35.2%	50	1.2%	2,710	63.4%	9	0.2%	4,272
Cork-Blarney	20,612	46.8%	460	1.0%	22,838	51.8%	180	0.4%	44,090
Cork-Little Island	35,318	53.0%	810	1.2%	30,309	45.5%	234	0.4%	66,671
Deansgrange	46,052	52.5%	1,177	1.3%	40,143	45.8%	297	0.3%	87,669
Derrybeg	2,493	45.0%	61	1.1%	2,985	53.8%	6	0.1%	5,545
Donegal	5,034	47.9%	137	0.8%	5,303	50.4%	41	0.4%	10,515
Drogheda	15,791	51.8%	304	1.0%	14,287	46.9%	108	0.4%	30,490
Dundalk	8,621	45.4%	249	1.3%	10,021	52.8%	103	0.5%	18,994
Ennis	13,941	43.3%	322	1.0%	17,770	55.2%	153	0.5%	32,186
Enniscorthy	15,612	47.9%	274	0.8%	16,532	50.7%	170	0.5%	32,588
Fonthill	40,424	44.1%	884	1.0%	49,919	54.5%	375	0.4%	91,602
Galway	25,409	42.6%	562	0.9%	33,519	56.1%	214	0.4%	59,704

Greenhills (Exit 11,M50)	30,717	49.7%	812	1.3%	30,098	48.7%	157	0.3%	61,784
Kells	14,137	49.5%	331	1.2%	13,983	49.0%	94	0.3%	28,545
Kilkenny	15,362	57.7%	259	1.0%	10,914	41.0%	100	0.4%	26,635
Killarney	10,037	57.1%	123	0.7%	7,351	41.8%	60	0.3%	17,571
Letterkenny	9,996	49.4%	243	1.0%	11,648	53.1%	64	0.3%	21,951
Limerick	23,090	46.3%	590	1.2%	26,003	52.2%	153	0.3%	49,836
Longford	7,172	45.5%	138	0.9%	8,401	53.3%	60	0.4%	15,771
Macroom	9,281	53.6%	102	0.6%	7,864	45.4%	75	0.4%	17,322
Monaghan	5,213	38.8%	193	1.4%	7,975	59.4%	48	0.4%	13,429
Mullingar	7,942	46.6%	262	1.5%	8,737	51.3%	99	0.6%	17,040
Naas	20,825	46.6%	301	0.7%	23,354	52.2%	217	0.5%	44,697
Nenagh	12,392	49.2%	210	0.8%	12,539	49.8%	48	0.2%	25,189
Northpoint 1 (Exit 4, M50)	26,118	43.6%	554	0.9%	32,982	55.1%	195	0.3%	59,849
Northpoint 2 (Exit 4, M50)	33,628	47.2%	781	1.1%	36,563	51.3%	232	0.3%	71,204
Portlaoise	11,137	52.5%	169	0.8%	9,838	46.3%	84	0.4%	21,228
Skibbereen	8,302	51.0%	149	0.9%	7,754	47.7%	62	0.4%	16,267
Sligo	8,810	45.5%	199	1.0%	10,293	53.2%	63	0.3%	19,365
Tralee	13,457	57.6%	304	1.3%	9,545	40.9%	54	0.2%	23,360
Tullamore	9,472	52.1%	164	0.9%	8,483	46.7%	63	0.3%	18,182
Waterford	18,869	50.4%	352	0.9%	18,043	48.2%	171	0.5%	37,435
Westport	11,189	51.1%	230	1.1%	10,410	47.6%	63	0.3%	21,892
Youghal	8,185	51.1%	168	1.0%	7,592	47.4%	66	0.4%	16,011
Grand Total	650,208	48.4%	13,982	1.0%	675,278	50.2%	4,800	0.4%	1,344,268

Top Five Vehicle Failure Items

For 2014, the following were the top five failure items in descending order:

Visual defect overall fails (642,057 incidences);

Head lamp aim, dip beam (74,905);

Parking Brakes (42,648);

Gas Result (42,732);

Service Brakes (31,587)

The five most prevalent visual failure items resulting in a visual only retest were, in descending order: - tyre condition, stop lamps, tyre tread, side lamps, and windscreen wipers and washers.

Other visual failure items resulting in a lane retest were, in descending order: - front suspension, brake lines/hoses, transmission, steering linkage and wheels.

Customer Satisfaction Results

Overall, the NCT achieved the agreed performance standard for customer satisfaction for the year. The overall level of satisfaction was slightly lower than in 2013. This is discussed further in section IV.

Customer perception was captured through a survey of vehicle owners whose car had been tested throughout 2014. The CPI (customer performance index) for 2014 was 82.8, which was a decrease of 0.7 on 2013. However, the CPI still remains above the score of 80 set out in the Customer Charter.

Throughout the year, 1029 complaints were received, representing 0.05% of people using the service. This was an increase on the 879 recorded in 2013 though comfortably within the target of 0.2% of tests carried out.

Overall Performance

2014 was the fifth year of operation since ACTS took over responsibility for delivering the NCTS. Overall, the performance of the NCTS in 2014 achieved the required standard in relation to the contractual key performance measures and no financial performance adjustments applied.

However, the inclusion of non-compliance with NCT requirements in the Fixed Charge System and related awareness campaigns from October - December 2014 caused a significant increase in demand for testing in the final quarter of 2014. ACTS is required to provide customers with a test appointment within 28 days of being contacted. The excess demand over slot availability in quarter 4 hindered Applus' ability to meet this standard in all cases. As a result, the number of customers who were delayed beyond 28 days (and given a free test to compensate for their inconvenience) increased to almost 2,500 during Q4 2014, with others allocated to be delivered in the first part of 2015.

While ACTS had increased staffing levels in quarter 4, in anticipation of an increase in demand for testing, they failed to anticipate fully the extent of improvement in compliance levels that resulted from the change in enforcement processes. As a result the priority waiting list levels, that were already higher than in previous years during the early part of the year, were subject to an unseasonal increase in quarter 4. As a result, ACTS were asked to provide the Authority with detailed analyses of testing volumes, capacity, notifications levels and priority list levels on a weekly basis during this challenging period for the service.

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 2014 based on the results of inspections at headquarters and individual test centres (approximately 20 test centres chosen at random each month). The overall performance score was 97.2% which is an increase on 2013 (96.6%). Once again the service has exceeded the standard of 90% as defined in the Project Agreement.

Table 2.0 Operational Audit Scores for 2014

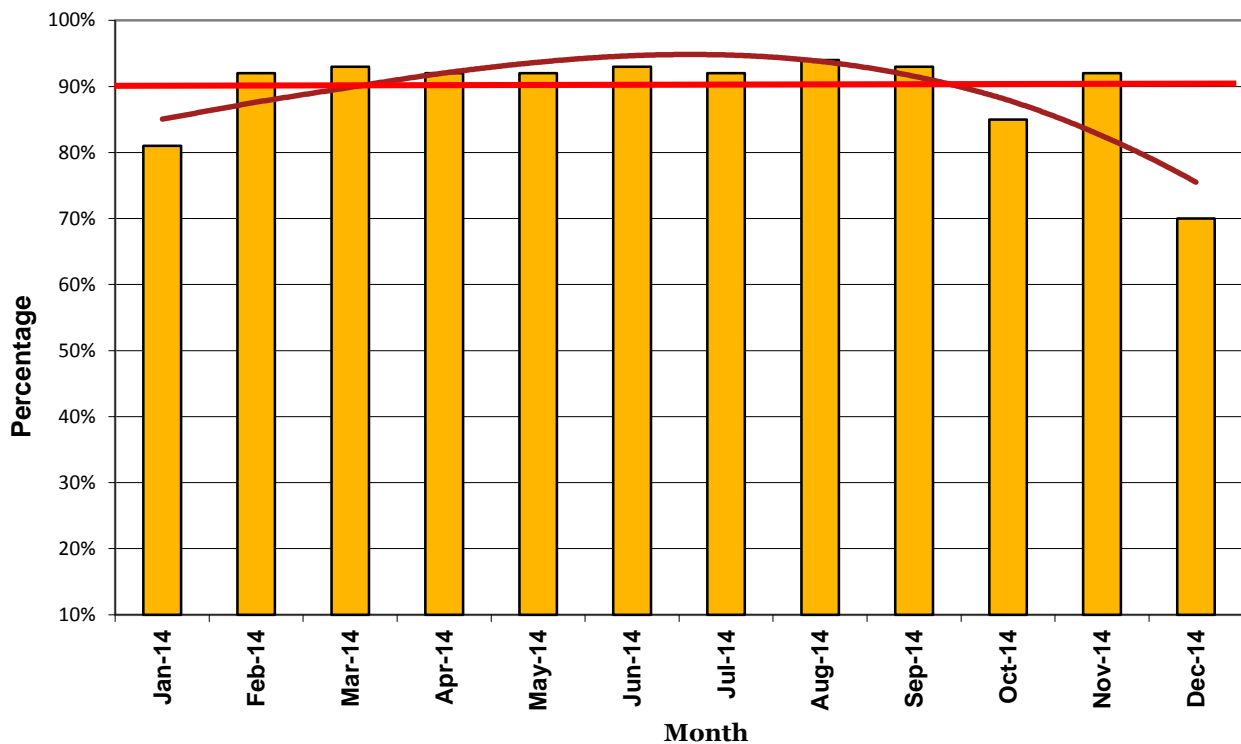
Weighting	Area	2014	2013
465	Headquarters Specific Criteria:	97.8%	97.8%
535	Test Centres Specific Criteria:	96.7%	95.5%
1,000	Total weighted score	97.2%	96.6%

Section A - Headquarters Review

Call Centre

Overall, the call centre just failed to meet fully the service level for the year of 90% of calls answered within 15 seconds. The overall result for 2014 was 89%, compared with 91% for 2013, with the shortfall coming largely in the final month of the year, when there was considerable additional demand on the service.

Chart 2.0 Percentage of calls answered within 15 seconds per month



Annual figures for call centre performance showed that the company received approximately 2.39 million calls, which was an increase of approximately 300k, or 14.4%, compared with 2013. 54% of calls were received in the first half of the year, compared with the proportion in the prior year (57%). This reflects the higher volumes of tests undertaken in the first half of the year but also the much increased volume of calls in the latter part of 2014.

Internet booking transactions accounted for approximately 32% of transactions during the year. This was a small increase from 31% in 2013, though remained below the 2012 level of 34%. During 2014, 87% of full tests were confirmed by SMS, compared to 86% in 2013 and 60% in 2012.

Booking lead times

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 11.8 days from the time of request. This compared with the average of 11.6 days during 2013, and was within the required service level standard of 14 days, although the service did experience an increase in booking lead times in the final few weeks of the year.

Overall, the lead-time for retest appointments met the required service standard of 7 days. The average lead-time for booking retests was approximately 3.5 days (4.4 days in 2013).

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 2.9 minutes which was slightly lower than the average waiting time of 3.0 minutes in 2013. 153 vehicles were kept waiting longer than 1 hour compared with 228 vehicles in 2013.

Staffing and HR

Overall staffing levels which include headquarters staff, test centre and call centre personnel, increased from 685 in December 2013 to 789 in December 2014. Recruitment programmes for vehicle inspectors (VIs) were ongoing throughout 2014. Approximately 60 new VIs had been recruited for planned deployment January and February 2014 in anticipation of increased seasonal demand in the first half of 2014. The number of VIs and team leaders rose from 471 in December 2013, to 521 in December 2014, where a recruitment of approximately 50 VIs took place in quarter 4 in anticipation of increased demand in early 2015. The call centre headcount was consistent during the year, at approximately 63 full time equivalent staff.

Annual training of all vehicle inspectors took place in October and November 2014. 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, Vehicle Registration Tax (VRT) administration 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.

Test Centre Audit (Section B)

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.

Test Equipment & IT

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

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

Test Arrangements and Customer Service

The quality of customer service is measured against a number of different criteria, by means of a telephone survey of approximately 1,000 people who have recently had their cars tested, spread into 4 quarterly groups. A customer performance index (CPI) is used as an aggregate index of performance based on the aspects of service considered by customers to be most important. The overall CPI score for 2014 was 82.8, compared with a score of 83.5 in 2013 and 84.3 in 2012. The score exceeded 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

A key aspect of the operational audit process is an assessment of the quality of work carried out by vehicle inspectors. During the year some 2,970 vehicles were observed while they were being tested. A further 456 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 9.74 out of 10 for 2014. 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. Following a review of quality and anti-fraud matters, in 2011, the numbers of observed and independent test inspections were increased. These additional visits included focused inspections at centres which were deemed to be 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 2014 some 2,514 vehicle tests were observed by the SSC team. A further 456 Independent Rechecks were undertaken during the year.

The following table sets out a summary of the number of test centres, test lanes, vehicle inspectors and vehicle tests were observed. On average, vehicle inspectors were observed carrying out 3 or 4 tests, on 2 or 3 different occasions 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 2014

2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
No. of Test Centres	30	41	54	39	41	37	36	33	48	43	39	39	471
No. of Test Lanes	62	70	80	73	70	66	56	61	71	79	69	56	813
No. of Vehicle Inspectors observed	132	147	161	135	155	125	116	119	119	142	128	114	1,593
No. of Vehicles	226	209	229	206	235	212	192	207	189	217	198	194	2,514

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

For the year as a whole, some 2,514 observations were made:

- There were 2.4% (38) incidences of vehicle inspectors scoring zero due to failing to identify a 'major' item or at least 6 'minor' items, compared with 3.6% (59) incidents in 2013 and 4.8% (74) in 2012;
- No vehicle inspectors scored 3 (omitted 5 minor items), compared with none in 2013 and none in 2012;
- 10 vehicle inspectors scored 6 (omitted up to 4 minor faults), compared with 13 in 2013 and 28 in 2012;
- No vehicle inspector omitted up to 2 faults (score 9), compared with none in 2013 and none in 2012; and
- 97.0% of vehicle inspectors audited scored maximum points, compared with 2013 and 2012 outcomes of 95.6% and 93.0% respectively.

Table 3.1 Vehicle Inspector Performance Rating for 2014

Category	Score	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Very Good (0 faults omitted)	10	125	138	154	131	152	125	112	115	117	140	122	114	1,545
Good (<=2 faults omitted)	9	0	0	0	0	0	0	0	0	0	0	0	0	0
Adequate (<=4 faults omitted)	6	1	0	0	1	0	0	0	2	1	1	4	0	10
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	9	7	3	3	0	4	2	1	1	2	0	38
Check Test Totals		132	147	161	135	155	125	116	119	119	142	128	114	1,593

Overall the quality of testing observed has been very good with 97% scoring top marks. An average score of 9.74 out of 10 was achieved overall, representing a good performance for the quality of work carried out by the vehicle inspectors.

2.4% of vehicle inspectors were rated poor or unacceptable which is a decrease on the 4 % for 2013. 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. 38 instances of unacceptable performance were recorded during 2014 and usually related to matters of detail such as:

- Failure to observe and record different sized tyres fitted to the rear axle;
- Failure to report the nearside front ball joint split pin being absent;
- Failure to note water in the rear side lamp;
- Failure to record tyres over six years old;
- Failure to report a cut in the near side rear flexible brake pipe;
- Failure to report a wheel nut missing on the near side front;
- Failure to check the vehicle tyre pressures before carrying out the light test;
- Failure to record the vehicles unit of measurement correctly (kilometres, instead of miles);
- Failure to zero lights; and
- Failure to observe and record an excessively worn wishbone bush fitted to the near side front of a vehicle.

The supervised test inspections for 2014 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

456 vehicles were fully checked independently by the SSC during the year and achieved an average score of 8.78 out of 10 which is slightly lower than the average score of 9.12 for 2013. These were drawn, at random, from tests completed immediately prior to unannounced visits.

28 pass/fail decisions were overturned as a result of failure items being omitted, or included in error, during the observed or independent tests.

In 2014, 99.06% of vehicle tests observed or independently inspected found no issues with the tester's conduct of the test compared with 95.8% in 2013. This score is calculated out of the total observed and independent tests (2,970).

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 International Survey Unit, is to measure levels of customer satisfaction with the main aspects of service provided by ACTS.

Methodology

The 2014 survey represents the 15th 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.

The research was completed by conducting the interviews with approximately 250 customers during each quarter of 2014, weighted proportionally to the volume of tests carried out at each of the participating test centres. To ensure representativeness, the sample selected to participate in the survey replicated the NCT pass rate for full vehicle tests. Interviews were conducted with customers across all test centres.

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 contained all the questions asked over the previous six years of monitoring.

Analysis

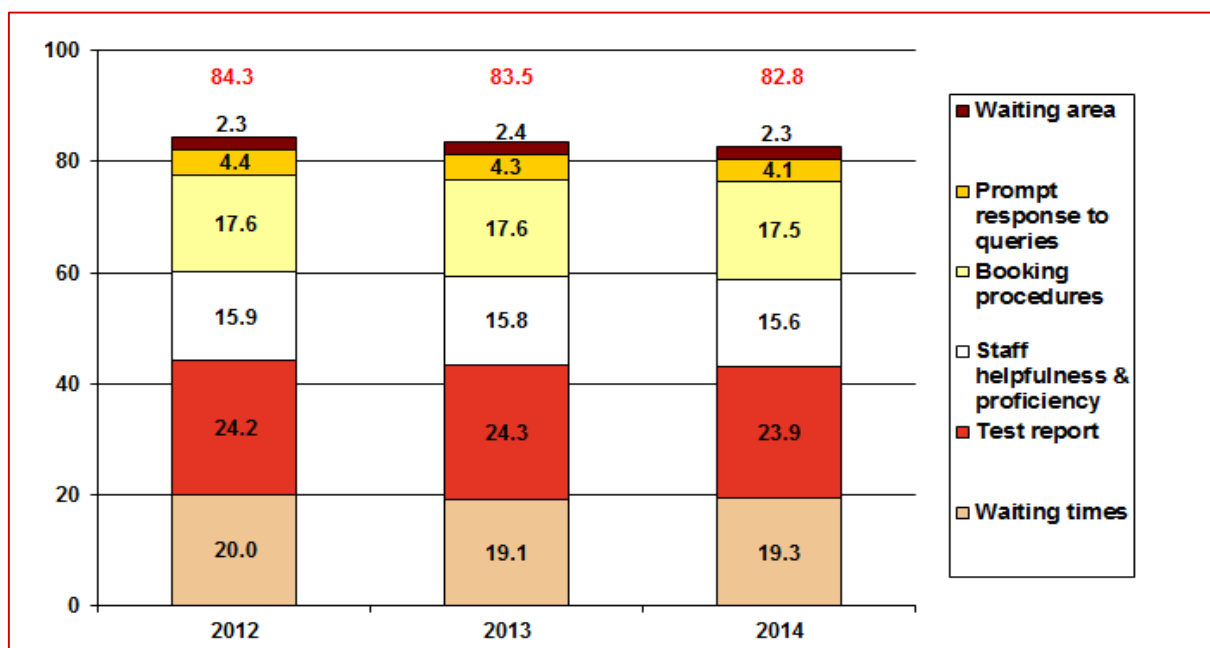
The questionnaires were analysed using the SPSS computer statistical package, the standard statistical package designed for the purposes of market research.

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.

Key findings

Customer Performance Index

The customer performance index (CPI) for 2014 showed a decrease of 0.7 on 2013 to give a score of 82.7, comfortably above the score of 80 set out in the customer charter. The decreased CPI for 2014 in comparison with 2013 can primarily be attributed to a declined rating for waiting times.



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 2014 (%)	% Change on 2013
Information on booking procedures	996	28	56	84	-1
How straightforward it was to confirm test	995	24	68	92	0
Helpfulness of staff when confirming test	850	20	73	93	+1
Length of time had to wait for test appointment	994	26	33	59	-2
Length of time taken to respond to telephone queries	472	28	57	85	-3
Length of time taken to respond to written queries	55	24	56	80	-6
Registration and payment procedures at test centre	983	25	68	93	+2
Helpfulness of reception staff	994	21	66	87	-2
Length of time had to wait at test centre	994	33	51	84	+3
Cleanliness of waiting area	981	33	50	83	-1
Comfort of waiting area	977	34	32	66	-1
Helpfulness of staff member who carried out test	968	26	63	89	+1
Ability to carry out test professionally	908	24	64	88	-1
Ability to answer questions on test result	701	25	61	86	+2
Test report itself	989	29	54	83	-1
Length of time had to wait for re-test	280	34	55	89	+6

The lowest performing aspects of service in 2014 were:

- Length of time to wait for test appointment (59%)
- The comfort of the waiting area (66%); and
- Length of time to respond to written queries (80%).

9 of the 16 components saw their scores fall in 2013; six of the components experienced an increase in score and the remaining one was unchanged.

The component which experienced the largest fall in 2013 was 'length of time to respond to written queries', which fell by 6 points in 2014. The largest increase was in the 'length of time had to wait for re-test' component, which gained six points on 2013.

Overall satisfaction scores remained high, with 85% of respondents stating that they were quite or very satisfied with the service. This represents a 1% increase on 2013 and reverses what had become a noticeable downward trend over recent 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 88% and 80% respectively in 2013.

5 Complaints and Appeals

Customer Complaints

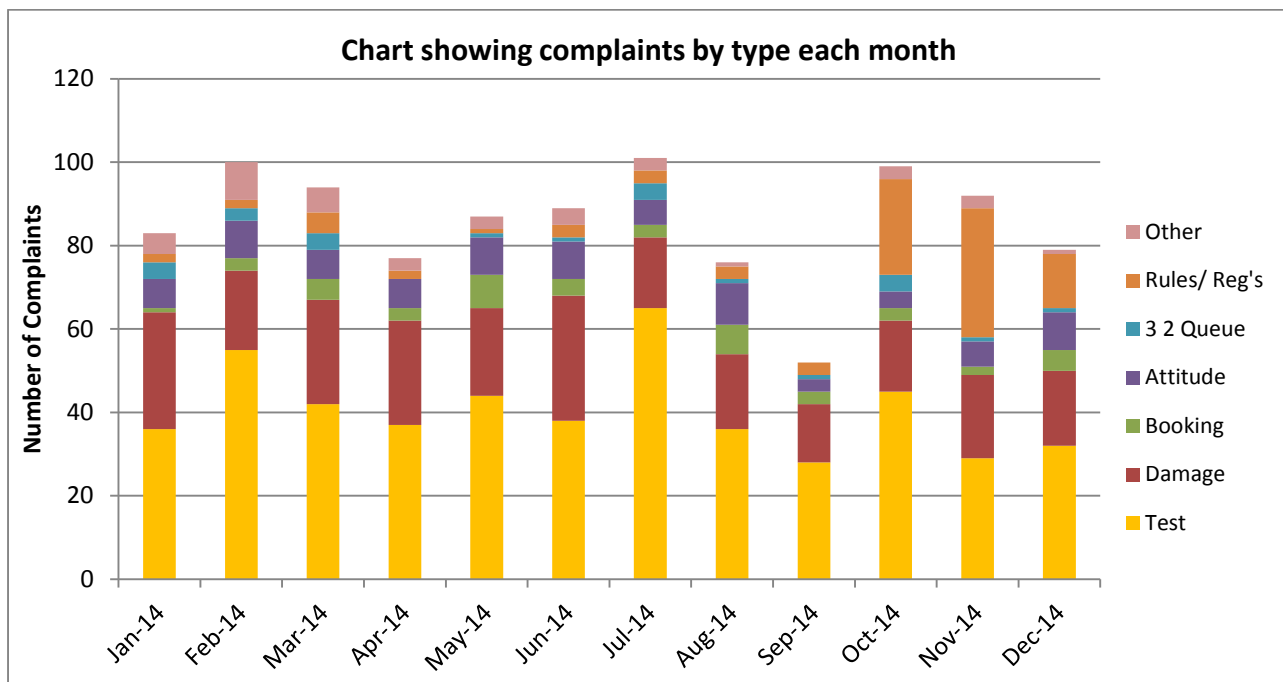
Customer complaints are recorded under a number of categories set out in the summary table below. NCTS use a computer system to record initial customer complaints, document their progress and resolution and provide a document audit trail to retain information regarding promptness and quality of responses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

During 2014 there were 1029 customer complaints, which was an increase of 17% on the total number of complaints received in 2013 (879). The total number of complaints as a percentage of total tests taken was 0.05%. This was consistent with the 2013 result (0.05%) and was also well below the target set at 0.2%.

Table 5.0 Year 2014 Customer Complaints (by category)

Complaint category	Total
Test (conduct of test/results)	487
Damage (or loss to property)	252
Bookings (& call centre)	47
Attitude (of staff)	86
Queue (delays at test centre)	25
Rules/Regulations	91
Other	41
Total	1029
As a % all tests conducted	0.05%

47.3% of the complaints related to test conduct/results compared with 49.9% in 2013, while 24.5% related to vehicle damage or loss of customer property. Complaints about bookings (& call centre) accounted for 4.6% which is slightly higher than the 4.0% in 2013.

Chart 5.1 Year 2014 Customer Complaints (by category)

Appeals

The Independent Appeals Board received 20 appeals throughout 2014, of which 3 appeals were upheld after investigation. The upheld appeals related specifically to the following areas:

- Front suspension offside and nearside ball joints;
- Rear side slip; and
- Tyre age.

Test integrity issues

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 2014 no employees were dismissed in relation to integrity issues.

Conclusion

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

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

6 Performance Management

Performance Standards Achieved

The following table sets out the NCTS level of achievement over the past 4 years, against the standards of performance required.

Table 6.0 Year 2014 NCT Achievement against Performance Standard

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

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

√- Denotes satisfactory result by reference to the performance standards

As shown in the table above:

- (a) Standards of test accuracy were met with 99.1% achieved against a target of 99% for the year as a whole.
- (b) The CPI (Customer Performance Index) for 2014 was 82.8, above the target of 80.
- (c) Operational audit performance for 2014 was above the target of 90% at 97.2%.
- (d) The standard requiring at least 80% of owners to be notified in advance was met.
- (e) Notification of test results continued to be forwarded daily to NVDF in line with the standard required.

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

Table 6.1 Performance Standards and the Performance Adjustment Criteria

Performance area	Key performance standard	Performance points	Performance bands	Actual adjustment
Waiting times	Average waiting time for test bookings less than 14 days	One point for each day (max. six points per week) greater than the standard	A : 0 points B : 1-4 points C : 5-8 points D : >8 points	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
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
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
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
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	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

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 2014.

7 Financial Matters

In this section of the report we comment on the overall financial results of the company. 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. The company's appointed auditors are Deloitte.

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

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

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

The profit and loss accounts for the company, as per the Financial Statements for the financial year ending 31 December 2014 is summarised below, showing the key financial results.

Table 7.0 Profit and Loss Account 2014 and 2013

	2014 €	2013 €	Difference €	Difference %
Turnover	74,943,265	64,282,117	10,661,148	16.6%
Cost of Sales	(59,779,246)	(44,740,879)	15,038,367	33.6%
Gross profit	15,164,019	19,541,238	(4,377,219)	(22.4%)
Administrative expenses	(11,273,786)	(15,332,478)	(4,058,692)	(26.5%)
Operating profit	3,890,233	4,208,760	(318,527)	(7.6%)
Finance income	542,246	288,390	253,856	88.0%
Profit/(loss) before taxation	4,432,479	4,497,150	(64,671)	(1.4%)
Taxation	(645,731)	(823,643)	(177,912)	(21.6%)
Profit/(loss) for the year	3,786,748	3,673,507	113,241	3.1%

In 2014, NCTS recorded turnover of €74.9m, an increase of €10.7m or 16.6% from the prior year. National Car Testing income formed 94% of total income for 2014 with the majority of the remaining income coming from VRT Import Conformance Inspection testing.

NCTS recorded a profit before tax of €4.4m for 2014 representing an operating profit margin of 5.2% and a net (pre-tax) margin of 5.9%. This compares with a profit before tax of €4.5m for 2013. This resulted from higher test volumes and cost of sales in 2014 compared with 2013.

Likewise the balance sheets for the company for the financial years ending 31 December 2014 and 31 December 2013 are summarised below, identifying the key balances and the year on year changes. These figures have been taken from Financial Statements for 2013 and 2014.

Table 7.1 Balance Sheets 2014 and 2013

	2014 €	2013 €	Difference €	Difference %
Non-Current assets				
Property, plant and equipment	5,016,566	5,765,582	(749,016)	(13.0%)
Intangible assets	103,161	291,343	(188,182)	(64.6%)
Deferred tax asset	314,658	198,401	116,257	58.6%
Amounts due from group undertakings	1,500,000	1,500,000	-	-
	6,934,385	7,755,326	(820,941)	(10.6%)
Current Assets				
Trade and other receivables	16,590,040	10,614,216	5,975,824	56.3%
Cash and cash equivalents	905,888	256,104	649,784	253.7%
Current corporation tax asset	86,943	-	86,943	100.0%
	17,582,871	10,870,320	6,712,551	61.8%
Total Assets	24,517,256	18,625,646	5,891,610	31.6%
Equity				
Issued capital	3,010,000	3,010,000	-	-
Retained earnings	3,793,681	3,776,933	16,748	0.4%
Total Equity	6,803,681	6,786,933	16,748	0.2%
Non-Current Liabilities				
Provisions	325,000	325,000	-	-
	325,000	325,000	-	-
Current Liabilities				
Trade and other payables	17,388,575	11,513,713	5,874,862	51.0%
Current corporation tax liability	-	45,280	(45,280)	(100.0%)
Total Liabilities	17,388,575	11,838,713	5,549,862	46.9%
Total Equity and Liabilities	24,517,256	18,625,646	5,891,610	31.6%

The value of non-current assets decreased by approximately €0.8m in 2014, largely as a result of a decrease in the value of tangible and intangible assets. The net book value of property plant & equipment decreased by €0.7m and the net book value of intangible assets (computer software) decreased by €0.2m during the year, offset by an increase in the deferred tax asset of €0.1m.

Current assets increased by €6.7m overall, due to increases of €6.0m in trade and other receivables, €0.6m in the cash balance held and €0.1m in the current corporate tax asset. The trade and other payables balance has increased by €5.9m as at 31 December 2014. The company has remained in a net current asset position at 31 December 2014 and 31 December 2013.

Overall there has been an increase of 0.2% in the total equity held in the company from 2013 to 2014.

Conclusion

Turnover was €74.9m for the year compared with €64.3 for 2013. ACTS recorded an operating profit of €3.9m and profit before tax of €4.4m for 2014, representing an operating profit margin of 5.2%, and a net (pre-tax) profit margin of 5.9%. This compares with a profit before tax of €4.5m and net profit margin of 7.0% for 2013. A dividend of €3.8m was paid during the year.

Total equity remained consistent at €3.8m. The company held cash and cash equivalents of €0.9m as at 31 December 2014, higher than the prior year. A loan of €1.5m was due from group companies as at 31 December 2014. The company held a net current asset position as at 31 December 2014.

The number of free tests increased significantly due to the inclusion of non-compliance with NCT requirements in the Fixed Charge System, where the increase in demand resulted in some customers being unable to obtain a test appointment within 28 days. There were almost 2,500 free tests conducted during Q4 2014, which resulted in an estimated loss of revenue of €75k and €33k to Applus and the Authority respectively.

Conclusions

2014 was the fifth year of operation since Applus Car Testing Service Limited took over responsibility for delivering the National Car Testing Service. Demand for the service was higher than in previous years with approximately 1,344,000 full tests and 682,000 lane and non-lane retests completed during 2014.

The company met the performance standards during the year and no performance adjustments were applied. However, in the final few weeks of the year, the service came under increasing pressure as car owners responded to publicity surrounding the inclusion of no NCT in the Fixed Charge System. The resultant increase in demand exceeded the level planned for by ACTS and resulted in longer lead-times being experienced by some customers at that time.

Staffing levels fluctuated during the year to follow seasonal patterns of demand while approximately 50 additional vehicle inspectors were recruited in late 2014 in anticipation of increased seasonal demand during the first half of 2015.

Customers' overall level of satisfaction with the service, as measured by the customer performance index, remained high at 82.8, which was lower than the previous year's score of 83.5. 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 97.2%, comfortably above the target of 90%.

Finally, for the company's fifth year of full operation, ACTS recorded turnover of €74.9 million, an operating profit of €3.9 million and a profit before taxation of €4.4 million. A dividend of €3.8m was paid during the year.