



# *National Car Testing Service*

## *Annual Review 2012*

October 2013

Údarás Um Shábháilteacht Ar Bhóithre  
Road Safety Authority

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# 1 Introduction

## General

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

The National Car Test (NCT) in Ireland has now been in place for 14 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 2012. A new test centre was commissioned at Ballinasloe in February 2012.

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 2012, 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 2012 is summarised in the table below. This shows that 49.45% (48.24% including failure for non presentation of ID) of vehicles obtained test certificates on first test. This was lower than the equivalent rate for 2011, which was 50.6%. 85.82% of re-tests requiring use of the test lane (brakes, headlamps, emissions etc.) obtained a test certificate compared with 85.1% in 2011. 99.31% of non-lane re-tests gained test certificates, compared with 99.6% in 2011. The main contributing factor affecting the overall pass rate in 2012 was the increase in the proportion of vehicles over 10 years old arising from annual testing of such vehicles which commenced during 2011.

*Table 1.0 Year 2012 Annual Throughput of vehicles*

Total Tests	Pass		Pass Advisory		No ID		Fail / Refusal		Fail / Dangerous		Total
No. of Full Tests	398,877	37.35%	116,340	10.89%	12,895	1.21%	535,729	50.16%	4,144	0.39%	1,067,985
No. of Lane Re-Tests	216,516	64.82%	68,794	20.59%	1,384	0.41%	46,783	14.00%	569	0.17%	334,046
No. of Non Lane Re-Tests	142,259	71.65%	54,682	27.54%	235	0.12%	1,345	0.68%	19	0.01%	198,540
<b>Total</b>											<b>1,600,571</b>

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	5922	54%	161	1%	4928	45%	25	0%	11036
Arklow	9251	48%	190	1%	9746	51%	53	0%	19240
Athlone	7095	48%	187	1%	7379	50%	75	1%	14736
Ballina	5901	45%	167	1%	6986	53%	56	0%	13110
Ballinasloe	4929	52%	111	1%	4375	46%	32	0%	9447
Cahir	10954	50%	257	1%	10594	48%	64	0%	21869
Cahirciveen	1711	67%	18	1%	841	33%	2	0%	2572
Carlow	9863	44%	230	1%	12009	54%	79	0%	22181
Carndonagh	2571	53%	65	1%	2186	45%	7	0%	4829
Carrick-on-Shannon	3934	39%	121	1%	5936	59%	36	0%	10027
Castlereagh	5154	44%	192	2%	6191	53%	46	0%	11583
Cavan	4872	41%	115	1%	6910	58%	16	0%	11913
Charleville	7284	60%	170	1%	4674	38%	28	0%	12156
Clifden	1364	41%	59	2%	1865	57%	6	0%	3294
Cork-Blarney	17165	52%	278	1%	15420	47%	133	0%	32996
Cork-Little Island	29617	53%	753	1%	24908	45%	206	0%	55484
Deansgrange	36725	51%	952	1%	33839	47%	289	0%	71805
Derrybeg	1994	48%	49	1%	2096	51%	7	0%	4146
Donegal	4378	54%	102	1%	3539	44%	34	0%	8053
Drogheda	13933	50%	270	1%	13700	49%	150	1%	28053
Dundalk	7164	45%	278	2%	8272	52%	76	0%	15790
Ennis	11262	47%	342	1%	12454	52%	105	0%	24163
Enniscorthy	12953	47%	314	1%	14313	52%	149	1%	27729
Fonthill	32404	43%	763	1%	42331	56%	330	0%	75828
Galway	19627	45%	560	1%	23030	53%	154	0%	43371
Greenhills	21006	49%	517	1%	21489	50%	149	0%	43161

**(Exit 11,M50)**

<b>Kells</b>	11044	45%	329	1%	13245	54%	95	0%	24713
<b>Kilkenny</b>	9882	49%	195	1%	10133	50%	69	0%	20279
<b>Killarney</b>	7821	56%	167	1%	6027	43%	55	0%	14070
<b>Letterkenny</b>	7331	44%	195	1%	9180	55%	64	0%	16770
<b>Limerick</b>	20083	48%	548	1%	20971	50%	124	0%	41726
<b>Longford</b>	5122	47%	93	1%	5671	52%	61	1%	10947
<b>Macroom</b>	7648	57%	113	1%	5706	42%	59	0%	13526
<b>Monaghan</b>	4616	41%	221	2%	6482	57%	33	0%	11352
<b>Mullingar</b>	6391	42%	212	1%	8567	56%	111	1%	15281
<b>Naas</b>	17434	48%	359	1%	18220	50%	140	0%	36153
<b>Nenagh</b>	9742	53%	160	1%	8304	45%	49	0%	18255
<b>Northpoint 1 (Exit 4, M50)</b>	23458	44%	559	1%	28835	54%	185	0%	53037
<b>Northpoint 2 (Exit 4, M50)</b>	26459	45%	761	1%	31359	53%	276	0%	58855
<b>Portlaoise</b>	9453	53%	221	1%	7964	45%	48	0%	17686
<b>Skibbereen</b>	6911	55%	137	1%	5480	44%	48	0%	12576
<b>Sligo</b>	6470	43%	170	1%	8426	56%	58	0%	15124
<b>Tralee</b>	9647	56%	238	1%	7172	42%	39	0%	17096
<b>Tullamore</b>	6654	47%	216	2%	7308	51%	71	0%	14249
<b>Waterford</b>	15091	52%	404	1%	13518	46%	149	1%	29162
<b>Westport</b>	8558	51%	212	1%	8097	48%	60	0%	16927
<b>Youghal</b>	6371	55%	163	1%	5053	43%	43	0%	11630
<b>Grand Total</b>	<b>515,217</b>	<b>48%</b>	<b>12,895</b>	<b>1%</b>	<b>535,729</b>	<b>50%</b>	<b>4,144</b>	<b>0%</b>	<b>1,067,985</b>

***Top Five Vehicle Failure Items***

For 2012, the following were the top five failure items in descending order:

- visual defect overall fails (488,277 incidences);
- head lamp aim, dip beam (68,611);
- gas result (42,256);
- parking brakes (39,964);
- service brakes (31,535).

The five most prevalent visual failure items were, in descending order:- Tyre condition, tyre tread, stop lamps, side lamps, wheels.

### ***Customer Satisfaction Results***

Overall, the NCT achieved the agreed performance standard for customer satisfaction for the year. The overall level of satisfaction was higher than in 2011. This is discussed further in section IV.

Customer perception was captured through a survey of vehicle owners whose car had been tested throughout 2012. The CPI (customer performance index) for 2012 was 84.28, which was an increase of 0.6 on 2011. Therefore the CPI still remains above the score of 80 set out in the customer charter.

Throughout the year 872 complaints were received, representing 0.05% of people using the service. This was a 14.3% reduction on the 1,017 recorded in 2011 and comfortably within the target of 0.2%.

### ***Overall Performance***

2012 was the third year of operation since ACTS took over responsibility for delivering the NCTS. Overall, the performance of the NCTS in 2012 achieved the required standard in relation to all key performance measures and no financial performance adjustments have applied.

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 2012 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 95.8% which is an increase on 2011 (92.8%). Once again the service has exceeded the standard of 90% as defined in the Project Agreement.

*Table 2.0 Operational Audit Scores for 2012*

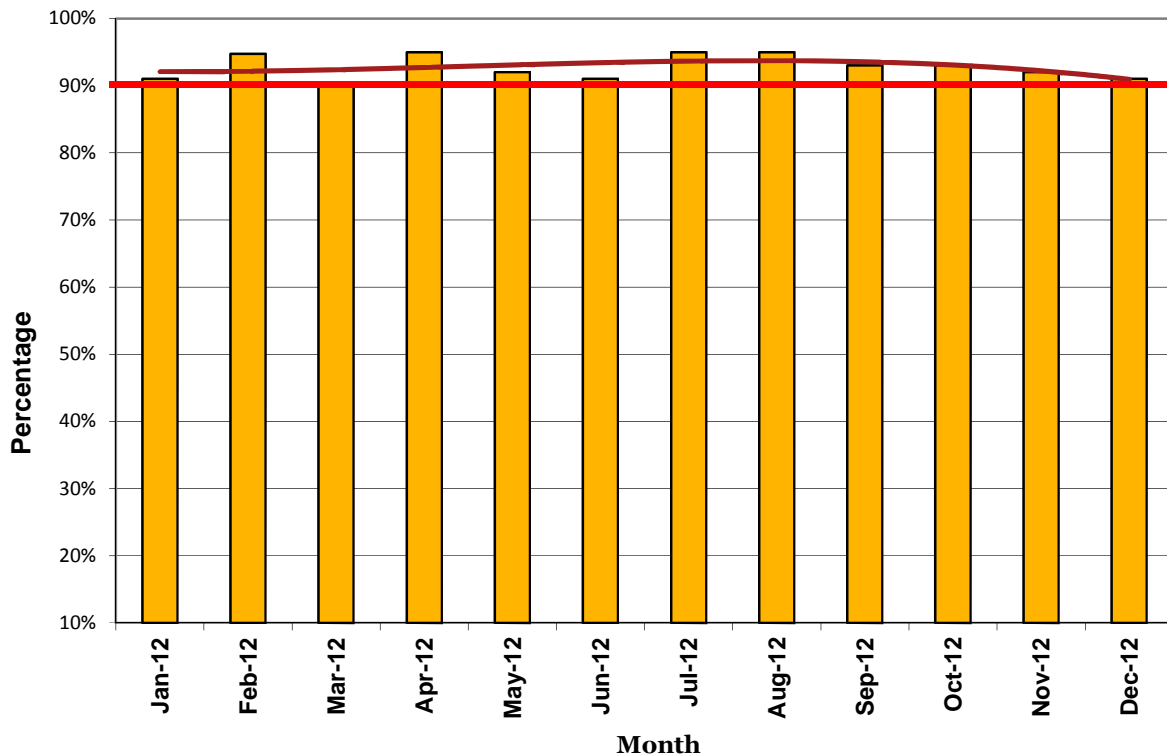
Weighting	Area	2012	2011
465	Headquarters Specific Criteria:	97.1%	93.7%
535	Test Centres Specific Criteria:	94.6%	92.0%
<b>1,000</b>	<b>Total weighted score</b>	<b>95.8%</b>	<b>92.8%</b>

## Section A - Headquarters Review

### Call Centre

Overall, the call centre exceeded the service level for the year of 90% of calls answered within 15 seconds. The overall result for 2012 was 93%, compared with 94% for 2011.

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



Annual figures for call centre performance showed that the company received approximately 1.85 million calls, which is a decrease of approximately 26k or 1% when compared with 2011. 56% of calls were received in the first half of the year, the same proportion as in the prior year. This reflects the higher volumes of tests undertaken in the first half of the year.

Internet booking transactions accounted for approximately 34% of transactions during the year which was an increase on 29% in 2011. During 2012, 60% of Full tests were confirmed by SMS, compared to 44% in 2011 and 55% in 2010.

### 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 9.8 days from the time of request. This compared with the average was 8.1 days, during 2011 and is within the service level standard of 14 days required for the service, therefore the performance standard was met.

Overall, the lead-time for retest appointments met the required service standard of 7 days. The average lead-time for booking retests was approximately 5.0 days (5.0 days in 2011).

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 3.2 minutes which was slightly lower than the average waiting time of 3.4 minutes in 2011. 367 vehicles were kept waiting longer than 1 hour compared with 463 vehicles in 2011.



## ***Staffing and HR***

Overall staffing levels which include headquarters staff, test centre and call centre personnel, increased from 579 in December 2011 to 635 in December 2012. The number of vehicle inspectors (VIs) and team leaders remained more or less static, at 418 in January 2012, compared with 419 in December 2012. The call centre headcount fell during the year, from 75 in January to 71 in December as efficiency with new systems improved and call volumes decreased.

Recruitment programmes for vehicle inspectors were ongoing throughout 2012 and approximately 60 new VIs had been recruited for planned deployment January and February 2013 in anticipation of increased seasonal demand in the first half of 2013.

Annual training of all vehicle inspectors took place in November 2012. 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 and have gained accreditation as a City and Guilds Training provider.

## ***Information Systems and Management Information Processes***

ACTS introduced a new information system in January 2010. This 'dashboard' system is an integrated application which is used for all elements of the car testing including telephone, web and other bookings, test administration and reporting. In 2012, a number of additional features were added to this system, including the enhanced notifications and reminder letter systems, website prepayment functions and systems to validate driver licences presented under the compulsory ID requirements introduced in 2012. A number of anti fraud measures were also introduced and integrated with the dashboard systems.

### ***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. A facilities refurbishment plan was implemented during the year which resulted in increased levels of satisfaction for 'Comfort of waiting area' and 'cleanliness of waiting area.' These increased by 6% and 3% respectively in the customer satisfaction surveys, when compared with 2011 levels.

### ***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. 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 2011 was 84.4, compared with a score of 83.7 in 2011 and 82.6 in 2010. 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 2,651 vehicles were observed while they were being tested. A further 347 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 9.45 out of 10 for 2012 compared with 9.61 out of 10 for 2011. 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, the numbers of observed and independent test inspections were increased from mid 2011 and throughout 2012. 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 2012 some 2,651 vehicle tests were observed by the SSC teams. A further 347 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 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 2012**

2012	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
No. of Test Centres	32	28	32	34	35	32	33	29	31	29	29	27	371
No. of Test Lanes	61	57	63	71	69	71	66	62	61	62	64	60	767
No. of Vehicle Inspectors observed	131	116	123	137	148	125	124	115	97	108	127	101	1,452
No. of Vehicles	188	192	214	235	240	239	236	226	210	236	241	194	2,651

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 2,651 observations were made:

- There were 4.8% (74) incidences of vehicle inspectors scoring zero due to failing to identify a 'major' item or at least 6 'minor' items, compared with 3.2% (37) incidents in 2011 and 2.1% (21) in 2010;
- No vehicle inspectors scored 3 (omitted 5 minor items), compared with three in 2011 and one in 2010;
- 28 vehicle inspectors scored 6 (omitted up to 4 minor faults), compared with 17 in 2011 and 11 in 2010;
- No vehicle inspector omitted up to 2 faults (score 9), compared with one in 2011 and five in 2010; and
- 93.0% of vehicle inspectors audited scored maximum points, compared with 2011 and 2010 outcomes of 95.0% and 95.6% respectively.

**Table 3.1 Vehicle Inspector performance rating for 2012**

Category	Score	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Very Good (0 faults omitted)	10	127	111	119	131	136	113	112	105	88	95	122	91	1,350
Good (<=2 faults omitted)	9	0	0	0	0	0	0	0	0	0	0	0	0	0
Adequate (<=4 faults omitted)	6	1	2	1	3	7	3	4	2	1	3	0	1	28
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	3	3	3	3	5	9	8	8	8	10	5	9	74
<b>Check Test Totals</b>		131	116	123	137	148	125	124	115	97	108	127	101	1,452

Overall the quality of testing observed has been very good with 93.0% scoring top marks. An average score of 9.41 out of 10 was achieved overall, representing a good performance for the quality of work carried out by the vehicle inspectors.

5.1% of vehicle inspectors were rated poor or unacceptable which is an increase on the 3.2% for 2011. 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. 74 instances of poor performance were recorded during 2012 and usually related to matters of detail such as:

- Safety equipment not being worn;
- Tyre pressure not checked in accordance with the procedures;
- Failure to notice faults with light bulbs;
- Failure to notice tyres that were excessively worn;
- Failure to notice tyres that were incorrectly fitted;
- Failure to notice tyres that were over 6 years old;
- Incorrect usage of testing equipment;
- Failure to identify VINs during tests;
- Failure to zero lights;
- Failure to report tyre tread less than 3mm; and
- Failure to report extensive rust on door sills.

The supervised test inspections for 2012 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***

347 vehicles were fully checked independently by the SSC during the year and achieved an average score of 8.95 out of 10 which is slightly below the average score of 9.47 for 2011. These were drawn, at random, from tests completed immediately prior to unannounced visits.

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

# 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 2012 survey represents the 13th 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 2012, 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 five years of monitoring.

## Analysis

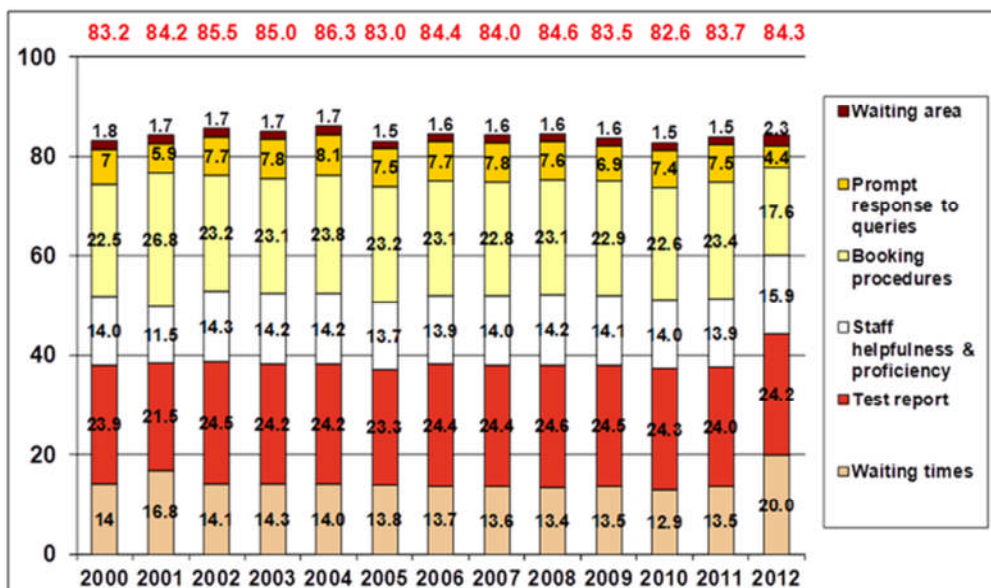
The questionnaires were analysed using the SPSS computer statistical package, the standard statistical package designed for the purposes of market research.

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 2012 showed an increase of 0.6 on 2011 to give a score of 84.3, comfortably above the score of 80 set out in the customer charter. The increased CPI for 2012 in comparison with 2011 can be attributed to increased ratings for several of the aspects of service, particularly waiting times and staff helpfulness and proficiency. These increases were offset by decreases in scores for prompt responses to queries and booking procedures.



## 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 2012 (%)	% Change on 2011
Information on booking procedures	1016	31	56	87	+3
How straightforward it was to confirm test	1011	21	73	94	+1
Helpfulness of staff when confirming test	830	21	72	93	0
Length of time had to wait for test appointment	1010	26	46	72	-1
Length of time taken to respond to telephone queries	403	25	63	88	0
Length of time taken to respond to written queries	85	26	63	89	+13
Registration and payment procedures at test centre	994	22	68	90	+2
Helpfulness of reception staff	1010	23	65	88	+3
Length of time had to wait at test centre	1008	29	52	81	+3
Cleanliness of waiting area	995	32	51	83	+6
Comfort of waiting area	992	29	34	63	+2
Helpfulness of staff member who carried out test	991	25	66	91	+4
Ability to carry out test professionally	917	24	69	93	+3
Ability to answer questions on test result	805	23	65	88	+3
Test report itself	1010	27	57	84	+2
Length of time had to wait for re-test	269	33	51	84	+3

All but three areas of service have seen improvements from 2011 based on overall satisfaction scores (noting however, that there is a +/- 3% margin of error on the results given the sample size used).

The largest improvement was in respect of the length of time taken to respond to written queries however it is noted that relatively few customers had experience of this aspect of the service. The cleanliness of the waiting area also saw significant improvement from 2011 scores.

The question relating to how straightforward it was to confirm a test had the highest score at 94% satisfaction. The comfort of waiting area was the lowest scoring aspect of service at 63% overall satisfaction and this was also the lowest scoring aspect of service in 2011. The length of time to wait for a test was the only aspect of service to have a fall in satisfaction levels from 2012.

Overall scores have been positive with nine of the sixteen aspects increasing by a score of more than 2% on 2011, and only three scoring the same or less than the previous period.

This is reflected in the overall satisfaction scores as 87% of respondents rated the service as being quite or very good; 2% higher than in 2011, but still short of 2009 and 2008 scores (88% and 89% respectively).

### ***Conclusion***

Overall, satisfaction with the services provided by NCTS remains high, with 87% of respondents stating that they were either 'very' or 'quite' satisfied. This is above the 2011 result of 85% but still short of 2009 and 2008 scores (88% and 89% respectively). As usual, contentment was highest amongst those owners whose car passed its test first time around (91%) compared to those whose car had failed the test first time (83%).



## 5 Complaints and Appeals

### Customer Complaints

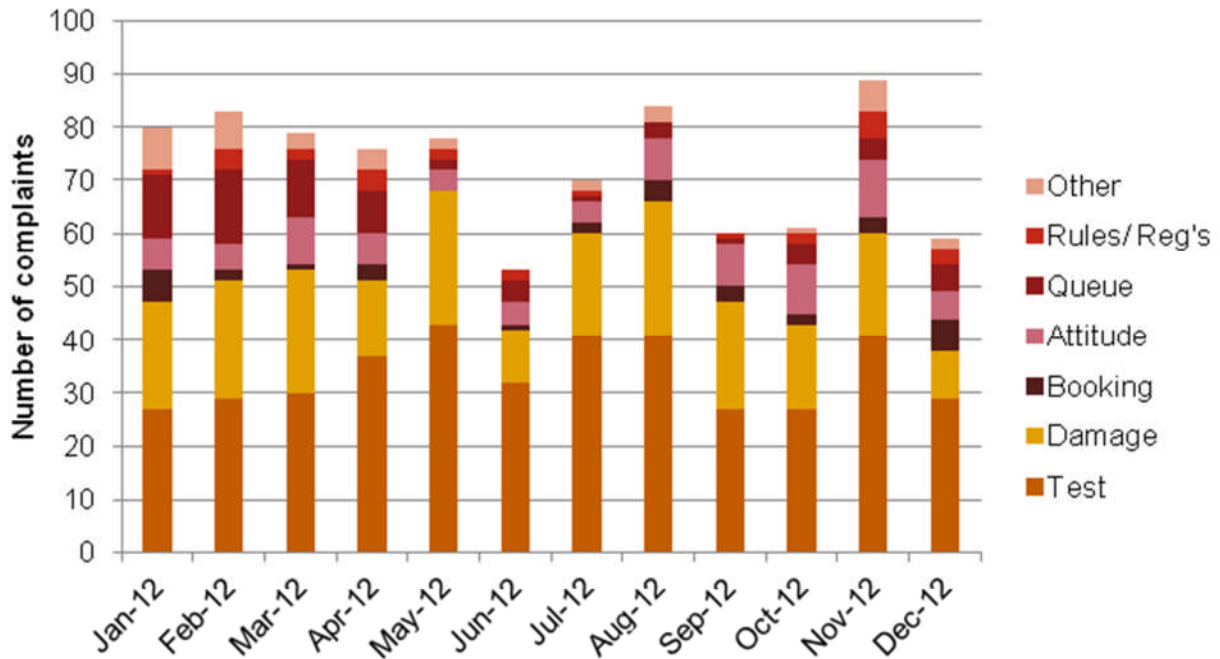
Customer complaints are recorded under a number of categories set out in the summary table below. NCTS use a computer system to record initial customer complaints, document their progress and resolution and provide a document audit trail to retain information regarding promptness and quality of responses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

During 2012 there were 872 customer complaints, which was a reduction of 14.3% on the total number of complaints received in 2011 (1,017). The total number of complaints as a percentage of total tests taken was 0.05%. This was lower than the 2011 result (0.07) and was also well below the target set at 0.2%.

*Table 5.0 Year 2012 customer complaints (by category)*

Complaint category	Total
Test (conduct of test/results)	404
Damage (or loss to property)	222
Bookings (& call centre)	33
Attitude (of staff)	79
Queue (delays at test centre)	69
Rules/Regulations	27
Other	38
<b>Total</b>	<b>872</b>
As a % all tests Conducted	<b>0.05%</b>

46.3% of the complaints related to test conduct/results compared with 47.1% in 2011, while 25.5% related to vehicle damage or loss of customer property. Complaints about bookings (& call centre) accounted for 3.7% which is similar to the 4.0% in 2011.

**Chart 5.1 Year 2012 customer complaints (by category)**

## Appeals

The Independent Appeals Board received 20 appeals throughout 2011, 4 appeals were upheld after investigation and 16 were rejected. The upheld appeals related specifically to the following areas;

- Tyre conditions;
- Ball joint condition;
- The NCT treatment of an adapted vehicle; and
- Brake pad condition

## 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 2012, three vehicle inspectors 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 3 years, against the standards of performance required.

*Table 6.0 Year 2012 NCT achievement against Performance Standard*

Performance Standard	Target	Actual 2010	Actual 2011	Actual 2012
Waiting times (full slots) for bookings – average less than 14 days	<14 days	32.9	8.1	9.82
Waiting times at individual National Car Test Centres – average less than 21 days	<21 days	X	√	√
Test accuracy	99.0%	99.9%	99.7%	99.1%
Customer satisfaction (Customer Performance Index)	80.0	82.6	83.7	84.3
Operational audit	90.0%	92.0	92.8	95.8
Notification of results		√	√	√
Notifying Owners of the requirement to have their vehicle tested	80% 4-6 weeks before the due date of the test	From 1 <sup>st</sup> July	√**	√

\*\* 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:

- Standards of test accuracy were met with 99.1% achieved against a target of 99% for the year as a whole
- The CPI (Customer Performance Index) for 2012 was 84.3 which was above the target of 80
- Operational audit performance for 2011 was above the target of 90% at 95.8%.
- The standard requiring at least 80% of owners to be notified in advance was met, with the exception of quarter 3 2012 where performance was affected by base data issues which were outside of the control of ACTS. Final resolution of the data issues was only achieved with receipt of the new annual file in August 2012, which created some late changes and additions to the number of notifications required to be issued in Q3. When taken together, 84% of vehicles due for testing in Q2 and Q3 2012 were sent a notification in advance of their due date, compared with the target of 80%. NCTS achieved the recovery target to have all notifications up to date by the end of September.
- 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 2012.

## 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 2012 Financial Statements for the financial year ending 31 December 2012 is summarised below, showing the key financial results.

*Table 7.0 Profit and Loss Account 2012 and 2011*

	2012 €	2011 €	Difference €	Difference %
<b>Turnover</b>	<b>56,605,221</b>	<b>49,937,228</b>	<b>6,667,993</b>	<b>13.35%</b>
Cost of Sales	(38,272,000)	(33,126,000)	-5,146,000	15.53%
<b>Gross profit</b>	<b>19,333,221</b>	<b>16,811,228</b>	<b>2,521,993</b>	<b>15.00%</b>
Administrative expenses	(15,402,132)	(13,141,750)	-2,260,382	17.20%
<b>Operating profit</b>	<b>3,931,089</b>	<b>3,669,478</b>	<b>261,611</b>	<b>7.13%</b>
<b>Finance income</b>	<b>117,427</b>	<b>33,861</b>	<b>83,566</b>	<b>246.79%</b>
<b>Finance costs</b>	<b>(13,537)</b>	<b>(1,026,038)</b>	<b>1,012,501</b>	<b>-98.68%</b>
<b>Profit/(loss) before taxation</b>	<b>4,034,979</b>	<b>2,677,301</b>	<b>1,357,678</b>	<b>50.71%</b>
Taxation	(574,155)	(389,065)	(185,090)	-47.57%
<b>Profit/(loss) for the year</b>	<b>3,460,824</b>	<b>2,288,236</b>	<b>1,172,588</b>	<b>51.24%</b>

In 2012, NCTS recorded turnover of €56.6m, an increase of €6.7m or 13.35% from the prior year. National Car Testing income formed 98% of total income for 2012 with the majority of the remaining income coming from VRT Import Conformance Inspection testing.

NCTS recorded a profit before tax of €4.0million for 2012 representing an operating profit margin of 6.9% and a net (pre tax) margin of 7.1%. This compares with a profit before tax of €2.7m for 2011. This resulted from higher test volumes in 2012 compared with 2011.

Likewise the balance sheets for the company for the financial years ending 31 December 2012 and 31 December 2011 are summarised below, identifying the key balances and the year on year changes. These figures have been taken from Financial Statements for 2011 and 2012.

*Table 7.1 Balance Sheets 2012 and 2011*

	2012 €	2011 €	Difference €	Difference %
<b>Non Current assets</b>				
Property, plant and equipment	6,886,353	5,566,670	1,319,683	23.71%
Intangible assets	1,546,229	2,579,328	-1,033,099	-40.05%
Deferred tax asset	198,401	117,519	80,882	68.82%
Other non-current assets	673,931	673,931	0	0.00%
Amounts due from group undertakings	1,595,502	1,500,000	95,502	6.37%
	<b>10,900,416</b>	<b>10,437,448</b>	<b>462,968</b>	<b>4.44%</b>
<b>Current Assets</b>				
Trade and other receivables	5,393,938	864,903	4,529,035	523.65%
Cash and cash equivalents	343,525	2,202,388	-1,858,863	-84.40%
	<b>5,737,263</b>	<b>3,067,291</b>	<b>2,669,972</b>	<b>87.05%</b>
<b>Total Assets</b>	<b>16,637,679</b>	<b>13,504,739</b>	<b>3,132,940</b>	<b>23.20%</b>
<b>Equity</b>				
Issued capital	3,010,000	3,010,000	0	0.00%
Retained earnings	4,503,426	1,042,602	3,460,824	331.94%
<b>Total Equity</b>	<b>7,513,426</b>	<b>4,052,602</b>	<b>3,460,824</b>	<b>85.40%</b>
<b>Non Current Liabilities</b>				
Provisions	325,000	325,000	0	0.00%
	<b>325,000</b>	<b>325,000</b>	<b>0</b>	<b>0.00%</b>
<b>Current Liabilities</b>				
Trade and other payables	8,799,253	9,127,137	-327,884	-3.59%
<b>Total Liabilities</b>	<b>9,124,253</b>	<b>9,452,137</b>	<b>-327,884</b>	<b>-3.47%</b>
<b>Total Equity and Liabilities</b>	<b>16,637,679</b>	<b>13,504,739</b>	<b>3,132,940</b>	<b>23.20%</b>

The value of non-current assets increased by approximately €0.5m in 2012 largely as a result of a loan provided to a group company during the year. The net book value of property plant & equipment increased by €1.3m while the net book value of intangible assets (computer software) decreased by €1.0m during the year.

Current assets increased by €3.1m overall, due mainly to an increase of €4.5m in trade and other payables offset by a decrease of €1.8m in the cash balance held. The company has remained in a net current asset position at 31 December 2011 and 31 December 2012.

Overall there has been an increase of 85% in the total equity held in the company from 2011 to 2012 and this change in the equity shareholders' funds is equal to the profit of €3.5 million retained for the year.

### ***Conclusion***

2012 was the third year of operation for ACTS since taking over responsibility for NCTS in January 2010. Turnover was €56.6m for the year compared with €49.9 for 2011 and ACTS recorded an operating profit of €3.9m and profit before tax of €4.0m for 2012 representing an operating profit margin of 6.9% and a net (pre tax) profit margin of 7.13%. This compares with a profit before tax of €2.7m and net profit margin of 4.6% for 2011. No dividend was paid during the year.

Total equity increased by €3.4m in the year to 31 December 2012 as profit after tax added to reserves. This was accompanied by investment in tangible assets while the net book value of intangible assets decreased as accumulated amortisation exceeded additions. The company held cash and cash equivalents of €0.3m as at 31 December 2012, a decrease of €1.9m from the prior year. Non-current liabilities due to group companies were repaid during the year and a loan of €6.8m was due from group companies as at 31 December 2012. The company held a net current liability position as at 31 December 2012. A significant proportion of the current liability balance at year end relates to the timing of payments due under an agreement with the The Office of the Revenue Commissioners regarding the collection of VRT, a service undertaken by ACTS.

# ***Conclusions***

2012 was the third 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 previous years with approximately 1,068,000 full tests and 523,000 lane and non-lane retests completed during 2012.

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

Staffing levels fluctuated during the year to follow seasonal patterns of demand while approximately 60 additional vehicle inspectors have been recruited in late 2012 in anticipation of increased seasonal demand during the first half of 2013

Customers' overall level of satisfaction with the service, as measured by the customer performance index, remained high at 84.3, which was higher than the previous year's score of 83.7. 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 95.8%, comfortably above the target of 90%.

Finally, for the company's third year of full operation, ACTS recorded turnover of €56.6 million, an operating profit of €3.9 million and a profit before taxation of just over €4.0 million. No dividend was paid during the year.