



Comptroller and Auditor General
Report on Value for Money Examination

Department of the Environment and Local Government

The Driver Testing Service

December 1999

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The report was prepared on the basis of information, documentation and explanations obtained from the bodies referred to in the report.

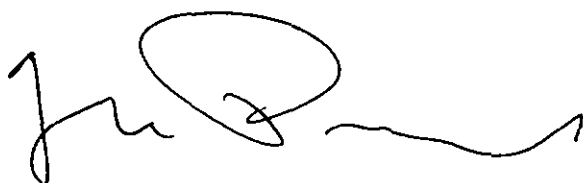
The draft report was sent to the Accounting Officer of the Department of the Environment and Local Government and his comments were requested. Where appropriate, these comments were incorporated in the final version of the report.

Report of the Comptroller and Auditor General

The Driver Testing Service

I have, in accordance with the provisions of Section 9 of the Comptroller and Auditor General (Amendment) Act, 1993, carried out a value for money examination of the driver testing service which is administered by the Department of the Environment and Local Government.

I hereby submit my report on the above examination for presentation to Dáil Éireann pursuant to Section 11 of the said Act.

A handwritten signature in black ink, appearing to read 'John Purcell', with a large, stylized loop at the beginning.

John Purcell
Comptroller and Auditor General

22 December 1999

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Summary

The Department of the Environment and Local Government (the Department) is responsible for the provision of the driver testing service. Despite carrying out almost 150,000 tests in 1999, the waiting list for tests at the end of the year remains at 87,000 applicants. This value for money examination was concerned with aspects of the economy and efficiency of the provision of the driver testing service.

Uniformity of Driving Tests

An important element of the efficiency of the provision of driving tests is to ensure their uniformity across all driving test centres. To this end, supervisory testers conduct almost 2,000 tests per year to check the application of the test procedures. Based on the results of these tests the Chief Tester expects that the national pass rate for the driving test should be in the range of 57% to 60%.

The actual pass rates reveal a wide variation when analysed according to the driving test centres. In 1998 the pass rates varied from 47% in Gorey to 71% in Sligo. The national average was 57% which is at the lower end of expectations. The variation in pass rates is not random. Centres in the three eastern regions tended to have pass rates below the national average while centres in the western regions generally exceeded the national average. A similar pattern can be observed in previous years which suggests that there is either a difference in the standard of driving between the regions or, more likely, there is a difference in the standard of the driving test applied.

The potential causes of such a wide variation in driving test results are a combination of the following factors.

- Some testers fairly consistently have pass rates substantially higher or lower than their colleagues in the same centres. Analysis to identify patterns in the faults observed by individual testers has shown significant differences in the types of faults recorded, leading the Chief Tester to conclude that different testers are applying different standards of marking and assessment.
- There have been delays in introducing procedures which would help to ensure the application of common standards.
- Refresher training of driver testers in the period 1995-1999 was curtailed due to the level of demand for tests and increasing waiting times.
- There are no set standards in force for driving tuition and the driver testing service has no regulatory function in respect of driving instructors.
- Although the Department has a minimum specification of suitable road features and required test manoeuvres, it is acknowledged that some routes are more challenging than others.

Waiting Times for Driving Tests

The waiting time for a driving test is another key efficiency indicator for the driver testing service. Between 1995 and 1998, the number of driving tests carried out by the Department did not increase in line with the increase in applications and the waiting list for tests rose sharply from 26,000 at the end of 1994 to almost 87,000 at the end of 1998. Although the supply of tests will equal demand in 1999, the waiting list at the end of the year will remain at the end-1998 level.

The 1999 performance target was for 95% of all candidates to have their test within 15 weeks of the date of application. This target was not met. The average waiting time for all centres was in excess of 30 weeks at the start of 1999 but has been falling gradually during the year. The Department now expects that the longest waiting time at any centre will be cut to 10 weeks by the end of 2000.

There are wide variations in waiting times for tests between the test centres, ranging from 13 weeks in Monaghan, a small centre, to 59 weeks in Finglas, one of the busiest centres. Driving testers are appointed to headquarter centres and travel out to non-headquarter centres to conduct tests on a regular rotational basis. They are not deployed to maintain reasonable consistency in waiting times between test centres. There is scope for reducing waiting times, particularly in the centres in Dublin, by the deployment of testers based on the demand for tests in each centre, with testers travelling out to other centres only as the need arises.

Supply of Driving Tests

The supply of driving tests is based on the number of testers employed and the productivity achieved. The Department was slow to respond to the rising level of applications between 1995 and 1999 for a number of reasons.

- The lack of a system to analyse or forecast the demand for driving tests hampered its ability to plan the number of testers required. The Department is now considering developing a model to forecast demand for tests.
- Although the Department proposed the employment of extra testers on a temporary contract basis in 1996, this was resisted by the driver testers' representative association until November 1998.
- A backlog of work in the Civil Service Commission delayed the recruitment of additional testers.

Staff productivity was examined by reviewing the staff utilisation rate and the average output per tester. The theoretical maximum number of tests which could be performed is 2,061 per tester per year. In practice, this number cannot be achieved because time has to be allowed for factors such as training, sickness, administrative duties or travel. Between 1995 and 1998, the Department had set a target productivity

level of 1,716 standard tests per tester per year which is 83% of the theoretical maximum. This target was not met. A productivity deal under the Programme for Competitiveness and Work increased the productivity target to 1,847 standard tests per tester per year. It is expected that in 1999, actual productivity will be well short of this target. In an effort to increase the number of tests supplied, more frequent use of overtime has been made since 1996. One test in ten is provided on overtime.

The examination found that there is scope for tightening up the management of test appointments particularly in the area of cancellations of tests at short notice by the Department.

Cost of Driver Testing

The cost of providing the service was £4.5 million in 1998 which was 31% more than in 1995. Just under 25% of expenditure relates to administration while the remainder represents direct costs (principally testers' salaries) in providing the service. The unit cost per test has increased by 21% from £31 in 1995 to £37.60 in 1998. The general rate of inflation for the same period was 7%. The increase in unit costs in real terms over the period confirms the significant drop in efficiency already established by the waiting time and productivity statistics.

There is scope for considerable cost savings through better management of travel and subsistence payments and a revision of headquartering arrangements. The average travel and subsistence payments in 1998 were £7,200 per tester and £14,200 per supervisor tester. If a different allocation of testers to each centre had been used, a 2% increase in the overall number of tests supplied and an 8% decrease in the unit cost per test could have been achieved, with a saving of some £290,000 in travel and subsistence payments. The Department is negotiating for revisions of the allocation of staff to test centres but has acknowledged that more extensive reform in this area is desirable. Progress will be influenced by industrial relations considerations.

Further cost savings could be achieved by changes in the rotation of testers between centres and in the manner in which the visits of supervisory testers to centres is organised.

The Department has a policy that sufficient revenue should be raised from driver testing fees to cover the costs of providing the service. The current level of fees was set in 1992 and no longer covers the costs of providing the service. In 1998, the average fee recovered per standard 45 minute test was £29.20 compared to an average cost incurred per standard test of £37.60. This implies that only 78% of costs were recovered. The backlog of tests at the end of 1998 was almost 87,000 tests for which fees of approximately £2.7 million were prepaid. The estimated cost of providing these tests is £3.6 million, resulting in a significant subsidy of the service by the general taxpayer.

The Driver Testing Service



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1 Introduction

1.1 Learner drivers of motor vehicles are required to undergo and pass a driving competency test before being fully licensed to drive. The test is designed to establish that the learner driver has reached an acceptable level of competence to drive a vehicle safely and with due regard for the safety and convenience of other road users.

1.2 The test consists of a practical driving test as well as questions on the rules of the road. Where the tester is satisfied that the applicant has demonstrated the necessary standard of driving and knowledge of the rules of the road, a certificate of competency is granted. The applicant may then apply to the relevant local authority for a full driver's licence.

1.3 Applicants pay a fee to take the driving test. The amount of the fee depends on the type of vehicle the applicant will be driving (e.g. passenger car, motorcycle, bus) and ranges from £30 to £60.

1.4 The Department of the Environment and Local Government (the Department) is responsible for driver testing. Applications are processed centrally in the Department's offices in Ballina and testing is carried out at 49 test centres throughout the country. At December 1998, the Department employed 74 driver testers and 37 administrative staff to process applications and to manage the service. The total cost of providing the service in 1998 was £4.5 million. The fees charged are intended to cover the costs of providing the service.

1.5 The Department is required to provide driver testing in an efficient and economical way. From the applicants' point of view, the efficiency of the service is determined primarily by the length of time they have to wait for the test. Applicants are also concerned about the level of customer service, including the achievement of a uniform standard of test in all test centres, the quality of communication during and about the test and the level of courtesy with which they are treated. In terms of management of resources, the level of efficiency achieved by the Department depends on the level of productivity of driver testers and the average cost of providing a test.

1.6 Almost 110,000 driving tests were carried out by the Department in 1998. However, it received 146,500 applications for tests during the year. As a result, the number of applicants waiting to take driving tests increased by 36,000. By 1 January 1999, 86,800 people were awaiting tests. Some applicants in the Dublin centres had been on the waiting list for almost a year.

1.7 The increase in the waiting list in 1998 added to a backlog which had been growing over a number of years. The Department responded to the problem, in late 1998 and in 1999, by increasing the number of driver testers and making changes intended to increase the average number of tests each tester carries out.

Scope and Objectives of the Examination

1.8 The overall objective of the value for money examination was to assess how economically and efficiently the Department manages the driver testing service and to establish if the recent initiatives to reduce waiting times are working. In particular, it dealt with

- the quality of driving tests
- how long applicants have to wait for tests
- the productivity of driver testers
- the cost of the provision of driving tests.

1.9 The examination focused on the performance of the driver testing service during the period 1995 to 1998 but significant developments in 1999 in relation to the provision of the service are also reported.

Examination Methodology

1.10 The examination was carried out by staff of the Office of the Comptroller and Auditor General. The performance of the driver testing service was compared over time, against targets and against the performance of similar organisations in other jurisdictions.

1.11 Information relating to the performance of the service was obtained from the review of records and documents as well as from interviews with relevant personnel in the Department.

1.12 Information was also gathered on the performance of the driver testing services in Northern Ireland (Driver and Vehicle Testing Service) and in Britain (Driver Standards Agency). The assistance provided by the agencies in carrying out the examination is appreciated.

Report Format

1.13 Chapter 2 looks at the quality of driver testing, mainly in terms of how a uniform standard of test is achieved. Efficiency is considered in terms of waiting times for tests (Chapter 3), staff productivity and the supply of tests (Chapter 4) and the unit cost of tests (Chapter 5).

2 Ensuring Uniform Driving Test Standards

2.1 The driver testing system could potentially be highly effective in protecting road users from accidents caused by incompetent or reckless drivers by setting a very high standard for driving test applicants to achieve. Only those who demonstrated a level of competence and care meeting that standard would be allowed to drive without the restrictions attaching to learner drivers.¹ On the other hand, by setting an unnecessarily high standard, individual applicants could potentially be put to extra expense, effort and delay before passing a test.

2.2 In designing a driver testing regime to achieve the correct balance, an appropriate standard of driving which applicants are expected to demonstrate has to be defined. Thereafter, test procedures which allow testers to form valid opinions about the competence of the applicants' driving are required. To ensure fairness to all test candidates, the procedures followed should result as far as possible in the same standard being applied in tests carried out at different times and places, under different testers.

Legal Basis for Driver Testing

2.3 The 1991 EU Directive on driver licensing requires that a common standard of driver testing is applied throughout Europe. In Ireland, the requirements under the Directive are given effect in the Road Traffic Regulations. The latest regulations were made in November 1999.

2.4 The EU Directive requires that a theory test, as well as a practical test, be undertaken by learner drivers. The theory test is designed to check knowledge of topics such as the rules of the road, risk perception, hazard awareness and good driving behaviour. The Department intends that this test must be passed before a first provisional licence is granted.

2.5 The Department's target date for the introduction of the theory test was 1999. The Department has now indicated that it plans to introduce the test in 2000. The theory test was introduced in Britain and Northern Ireland in 1996.

Setting the Standard for Driving Tests

2.6 Test procedures for the practical driving test have been developed by the supervisory driving testers (the Chief Driver Tester and the six regional supervisors). The procedures are reviewed, refined and clarified on an on-going basis. The Department aims to ensure that all supervisors have a common understanding of the

¹ *In practice, there are relatively few restrictions on people learning to drive passenger cars. It is estimated that almost a quarter of all licensed drivers are provisional licence holders*

standard which is expected during driver testing so that this can be communicated by them to the testers in their respective regions.

2.7 The supervisory testers conduct driving tests involving a small proportion of test candidates. These tests are used as a practical check on the application of the driving test procedures. Between them, they conducted almost 2,000 driving tests in 1998 (almost 2% of the total). The average pass rate in these tests was around 61%. Similar pass rates were achieved in tests carried out by supervisors in previous years. On that basis, the Chief Tester takes the view that the national pass rate for driving tests is expected to be around 57% to 60%.

Pass Rates for Driving Test

2.8 The pass rate for all driving tests carried out is relatively constant from year to year. In 1998, the pass rate was around 57%, up from a level of around 55% in 1995. The 1998 rate is at the lower end of the range expected on the basis of the tests carried out by supervisors. This implies that testers generally are broadly applying the required standard, though possibly with a slight bias on the conservative side. However, further analysis of trends and patterns in pass rates is required before conclusions can be drawn about how well driving tests conform to the standard which has been set.

2.9 Figure 2.1 indicates that there is very considerable variation in the pass rate for driving tests achieved in the various driving test centres.⁴ In 1998, the pass rates varied from 47% for tests carried out in Gorey to 71% for tests carried out in Sligo. This is a considerable deviation from the expected national pass rate.

2.10 The variation in pass rates between centres is not random. When grouped under their respective regions, it appears that centres in the three eastern regions tend to have pass rates below the national average, while centres in the three western regions generally have pass rates above the national average. A similar pattern can be observed for earlier years which suggests that a different standard of driving test is applied in different parts of the country. Alternatively, it implies that test candidates in western regions are generally more competent drivers than those in the eastern regions.

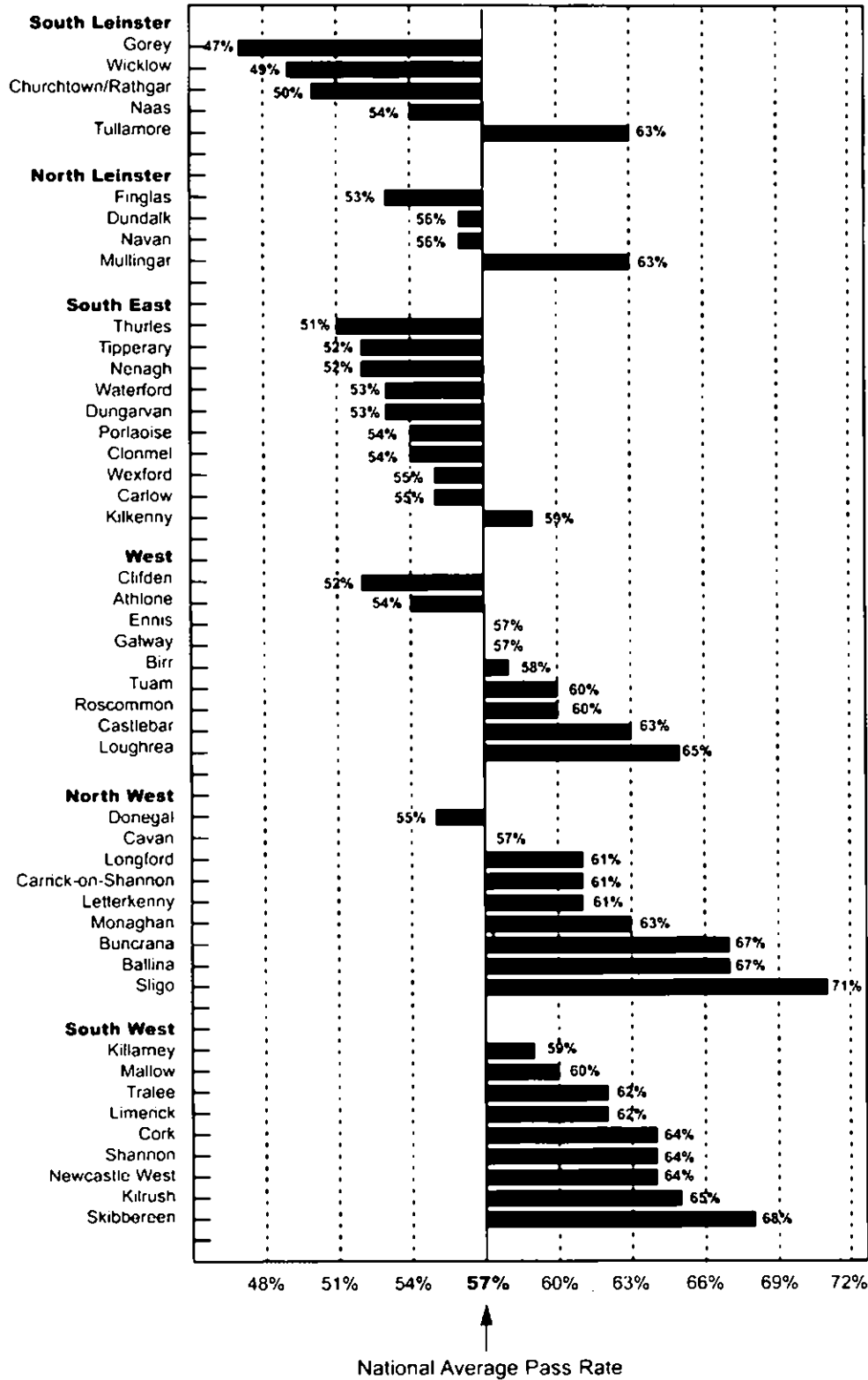
Factors Affecting Driving Test Results

2.11 Several factors may influence the outcome of any individual driving test. These include

- the ability of the applicant to demonstrate under test conditions the required level of competence in driving and road use

⁴ A map of the test centres and supervisory regions is included in Appendix A

Figure 2.1 Driving test pass rates, by region and centre, 1998



- variations in test design e.g. standard road features such as roundabouts or one-way streets may not occur within the network of roads near the test centre and so be unavailable for inclusion in test routes
- variations in the conditions under which the test takes place e.g. in the levels of traffic, climatic conditions or the occurrence of unusual hazards such as road works or other obstructions
- variations in the standard of driving expected by the tester and in the manner in which the test is conducted.

2.12 Although it cannot control all these factors, the Department aims as far as possible to provide driving tests in all centres to a uniform standard. Test routes are designed to include as many standard road features as possible and the same set of manoeuvres is specified over routes of similar length. Procedures for testers to follow in carrying out tests have been specified. This should mean that, ideally, the result of an individual test would not be dependent on where the test was taken or which tester carried out the test.

2.13 Unpredictable traffic conditions (such as congestion caused by an accident) can create temporary hazards for drivers and may affect the degree of difficulty of an individual driving test. The Department has little or no control over such factors. Since such events arise in the normal course of driving, the reaction of the applicant to such hazards is treated as part of the test in the normal way. However, this element of chance should also be reflected in the expected national pass rate so it is unlikely that this factor would result in pass rates at individual centres varying significantly or consistently from regional or national norms.

2.14 Certain weather conditions, such as ice or heavy fog, make driving particularly hazardous. Carrying out a test in such circumstances would not represent normal driving conditions. Driving tests are usually cancelled by the tester when such conditions arise and are re-scheduled for a later date.

Applicants' Driving Ability

2.15 The ability of the applicant to demonstrate under test conditions the required level of competence in driving and road use depends on a number of factors including their technical ability to drive and their level of confidence, as well as their preparedness for the test.

2.16 Many applicants undergo a period of instruction with a driving instructor in preparation for a test. Consequently, the number of lessons taken and the quality of the instruction received by applicants may impact favourably or unfavourably on the pass rate for driving tests. There is no uniform standard set for driving instructors. The quality of instruction available locally may be a factor in the occurrence of pass

rates at test centres which are significantly different from the norm for the region or nationally.

2.17 In early 1996, supervisory testers carried out an investigation of the factors influencing the pass rate in the test centre which had the lowest rate the previous year. This involved the supervisory testers carrying out a percentage of the driving tests at the centre over a short period. Based on analysis of the pattern of driving faults observed, it appeared that a significant proportion of test candidates had been receiving incorrect instruction in certain matters. It was concluded that this accounted for much of the difference between the centre's pass rate and those occurring elsewhere.

2.18 The driving test service liaises on an informal basis with local driving instructors and consults them about apparent problems with the instruction applicants receive. However, the role of the driver testing service in this regard is limited as it has no regulatory function in respect of driving instructors. The position is different in Britain and Northern Ireland, where driving instructors are required to register with the driver testing agency. The agencies assess applicants for registration as approved driving instructors and monitor tuition standards.

2.19 The Driving Instructor Register (DIR) of Ireland was founded, in 1996, by the two main national associations for driving schools with the financial support of the Department and the Irish Insurance Federation. To enroll on the register, driving instructors undergo a three-stage examination procedure. Although it continues to fund the Register, the Department has not set any measurement criteria by which to assess the contribution of the Register to the achievement of quality tuition.

2.20 The DIR, with the Department's assistance, obtained ISO 9002 quality certification of its procedures. In December 1999, the Department announced proposals for improved quality control and/or regulation of driving instruction. The DIR and driving instructor representative bodies have been invited by the Department to participate in a working group, to agree standards which the bodies must meet if they are to be recognised as a suitable registration body. Driving instructors not registered with such a body will, from 1 January 2002, have to undergo a compulsory test of their competence to instruct.

Design of Test Routes

2.21 Test routes are designed by supervisory testers. The aim is to ensure that routes are as similar as possible and that all routes include an appropriate set of road features and opportunities to carry out the required manoeuvres. Routes are regularly checked to ensure that they are still suitable. They may be altered or abandoned if driving conditions are considered to be dangerous or if conditions, such as the level of traffic, would make it difficult to carry out the test in the specified time.

2.22 In establishing a new test centre, the Department checks that the adjacent road network is suitable for the design of a number of routes which will include the desired set of road features. However, a number of longer-established centres do not provide all of the road features which are now considered appropriate for driver testing due to the limitations of the adjacent road network.

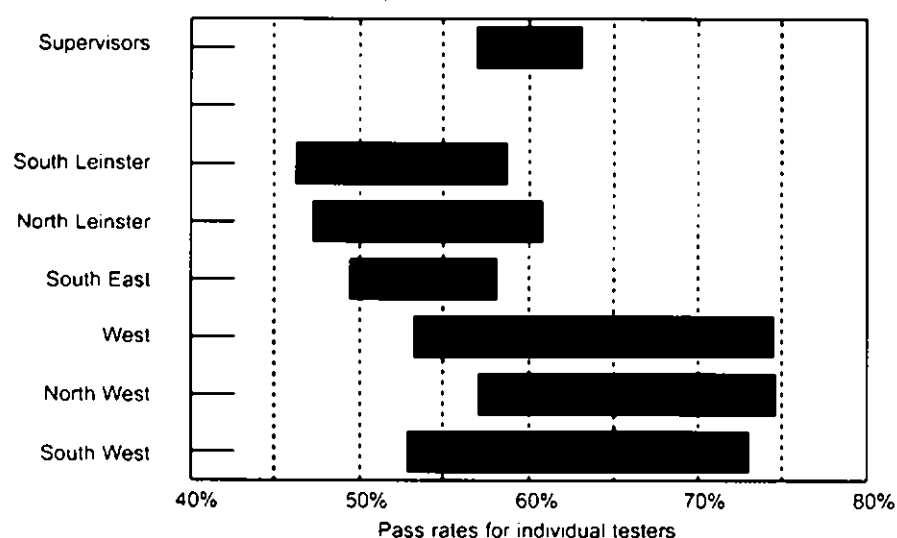
2.23 Despite efforts to standardise test routes, it is accepted that all routes are not uniform. Some routes within an area are viewed as being more challenging for test applicants than others. There are also differences between routes in smaller towns and those in larger urban areas, which will usually include more road features such as roundabouts and a range of road junction and signalling systems. The Department has not carried out any analysis to determine if these differences in routes influence the pass rate.

Uniformity in the Conduct of Driving Tests

2.24 In 1998, the pass rates for driving tests carried out by individual testers ranged from 46% to 75% - a span of almost 30%. Regional variations appear to contribute to the wide variation in pass rates between individual testers (see Figure 2.2). The range of pass rates for individual testers is relatively narrow in the South East region and quite broad in the West and South West regions. The range is narrowest among the supervisory testers.

2.25 Test candidates are assigned to testers on a random basis. As a result, for short periods or for a small number of tests, individual testers can have pass rates which vary considerably from the expected norm. As the number of tests conducted

Figure 2.2 Range of pass rates for individual testers, by region, 1998



Source: Department of the Environment and Local Government

increases, the pass rate should usually tend towards the norm for the group being tested if a uniform standard of test is applied.

2.26 Unusually high or low pass rates for individual testers can occur occasionally, even for a relatively large number of tests. However, analysis of the individual pass rates over the past few years shows an unexpected degree of consistency in pass rate patterns. From year to year, the same testers tend to have pass rates substantially higher or lower than normal. This suggests a systematic rather than random occurrence of extreme pass rate values for individual testers.

2.27 To ensure uniformity in carrying out testing, the following factors are important

- the testers should have the competencies necessary to carry out the test
- the standard of testing required should be known and understood in the same way by the testers
- supervisors and/or the testers themselves should be able to identify deviations from the standard
- supervisors/testers should be able to take effective action to remedy the situation.

Recruitment and Training of Testers

2.28 Recruitment of testers with the appropriate aptitudes, followed by sound induction and regular training are the main strategies for developing competencies and ensuring that testers share and maintain a common standard of testing. Regular monitoring of results and processes are needed to check that the appropriate standard is being maintained and that any remedial action which is taken actually has the required effect.

2.29 A competition for driver testers was held during 1998. The competition consisted of psychometric testing, a practical driving test and an interview. Successful candidates were given a six-week training course which consisted of classroom work, driving skills and both simulated and real tests.

2.30 During initial training, testers are trained to carry out driving tests only in passenger cars. There are three types of formal in-service training for driver testers

- training to carry out other kinds of vehicle driving tests e.g. driving of heavy goods vehicles
- refresher training for carrying out driving tests
- training in customer service.

Table 2.1 In-service training of driver testers^a, 1995 to 1999

	Total training days				
	1995	1996	1997	1998	1999 ^b
Refresher training for standard test	110	-	-	-	-
Training for testing driving in other vehicles (lorries, buses, motorcycles)	275	40	-	80	240
Customer service training	-	-	-	104	32
Total training days	385	40	-	184	272
Average training days per tester	5	1	-	3	4

Note *a* Training for new recruits, instructors or supervisors is not included.

b Training to 3 September 1999

Source: Department of the Environment and Local Government

Table 2.1 shows the number of in-service training days during the period 1995 to 1999. In general, there has been relatively little formal training of serving driver testers and no targets had been set for the amount of training to be provided.

2.31 No refresher training has been provided since 1995. On that occasion, only 11 of the 71 testers participated in a ten-day course designed to refresh their knowledge and understanding of procedures. The Department states that in view of the other training requirements and the level of demand for tests, it was not feasible to organise further car refresher courses in 1995. It further states that in subsequent years, refresher training was not provided, primarily because the Department wanted to tie it in with an increased level of accompaniment of testers by supervisors and the application of a uniform test standard and also the demand for tests militated against early and extensive provision of training.

2.32 All training was suspended in 1997 due to the increasing waiting times for tests. Training for testing driving of vehicles other than cars was resumed in 1998 due to pressure from the driver testers (and their association) who were concerned that some of them had been employed for years before they were able to carry out tests for driving of vehicles other than cars. In 1998 and 1999, considerable resources were absorbed in training new testers.

2.33 In keeping with the Department's general commitment to provide a quality customer service, a two-day customer service training course was held for all testers in 1998/1999.

2.34 A programme of regular refresher training for testers is being planned for 2000 and subsequent years. This is expected to start in March/April 2000.

Monitoring the Uniformity of Testing

2.35 There are several ways in which the uniformity of testing is monitored on a regular basis. These include statistical analysis of pass rates for individual driver testers, review of the marking sheets used by testers during driving tests and monitoring of the level of complaints received about the way the test is conducted.

Analysis of Pass Rates for Driver Testers

2.36 The Department records the result of each driving test, the centre it was carried out in and the name of the tester. Supervisors carry out regular statistical analysis of the pass rates in their region in order to identify testers whose pass rates are consistently lower or higher than the norm.

2.37 National comparisons of test results are too crude because of the apparent regional variations in test standards. Even comparisons of test results on a regional basis may be too aggregate. In carrying out the analysis, the primary focus should be on the results of tests carried out at individual centres, comparing the pass rates for the different testers who regularly operate there. This level of analysis should effectively control for most of the 'non-tester' factors which influence test results.

2.38 By recording which route was used for individual tests, the analysis could potentially be used also to identify routes which involve a degree of difficulty for applicants which falls unacceptably outside the desired limits.

Review of Marking Sheets

2.39 During a driving test, the tester completes a marking sheet on which s/he records disqualifying or serious faults observed in the test applicant's performance. A candidate who commits a disqualifying fault (e.g. breaking a red light) automatically fails the test. Serious faults are errors which individually are not serious enough to warrant a test failure but which, if repeated frequently, indicate the candidate has not achieved the overall required standard. Failure in this case is determined by the pattern of the faults rather than by their number.

2.40 Supervisory testers carry out regular statistical analysis of a percentage of marking sheets in cases where the candidates concerned failed their tests. The aim is to identify if there were particular patterns in the faults observed by individual testers. For example, an individual tester may record significantly more occurrences of a particular kind of fault than is observed generally by testers in a particular locality. The scale of the differences in the patterns of faults observed revealed by this analysis is considerable. On that basis, the Chief Tester has concluded that different testers are applying different standards of marking and assessment.

2.41 In 1996, the Department initiated a process designed to clarify areas of fault assessment for testers. This developed into a review involving both supervisory testers and nominees of the driver testers. The review was carried out in late 1997 and early 1998 and looked at assuring the application of the common standards. The review resulted in the issuing of a new marking sheet, marking guidelines and standard procedures in 1999.

2.42 The changes in guidelines and procedures were intended to simplify the process, assist testers in carrying out uniform tests and also make it clearer to candidates why they do not pass a test. After discussions and agreement on the changes with the tester's representative association, the Department held information sessions for the driver testers on these and on the changes to the driving test required by the EU Directive on driver licensing. Because the driver testers were unhappy with aspects of the changes required under the EU Directive, implementation of the new marking and standard procedures has been delayed. Discussions on all the changes are ongoing.

Complaints

2.43 The number of complaints received can be used as an indicator of customer satisfaction with the service provided, but trends must be interpreted carefully. A very small number¹ of complaints are received by the Department relating to the manner in which the test is carried out. This would appear to suggest that most test applicants are satisfied with the level of service provided.

2.44 The driver testing agencies in Northern Ireland and Britain carry out regular surveys on a random sample of customers to establish what proportion of them are satisfied with the manner in which the test is conducted, as there is a risk that customers who fail a test will not complain in case it would adversely affect them the next time they sit the test.

Supervision

2.45 Direct supervision is carried out by supervisors who accompany driver testers during individual tests. The supervisor observes the conduct of the test and afterwards discusses his observations with the driver tester. Accompanied tests are used

- to check that testers know, understand and implement the correct procedures and test standard
- to check whether or not there is a variation from the standard by a particular tester where other monitoring methods indicate that there may be a problem

¹ During the period to 1995 to 1998, a total of 150 complaints were received, amounting to 0.04% of tests carried out during the period. There were no complaints or an average of one complaint a year against approximately 99% of testers. A quarter of all complaints were made against two testers.

- to find solutions to identified problems of non-standard testing and subsequently to ensure that the application of the solution has resulted in a return to uniform testing.

2.46 Currently, supervisors accompany each driver tester during a driving test about once a month i.e. twelve tests a year (about 0.6% of tests performed). The Chief Tester has argued for some time that this is insufficient as a means of ensuring that a consistent standard is applied by all testers. He has proposed that the level of accompaniment be increased substantially, particularly for testers whose pass rates differ markedly from the norm, and that testers be accompanied on a number of consecutive tests. He has also proposed that the supervisor should record the driving faults, which he observes, on a marking sheet in order to make the post test review more meaningful.*

2.47 Driver testers through their representative association, have resisted increased levels of supervision during actual tests and also the completion of a separate marking sheet by the supervisor during accompanied testing. They have argued against increasing the level of accompanied testing which they consider

- increases stress levels for both the tester and the test candidate
- presents a negative image of the tester to both the candidate and to driving instructors
- could have a detrimental effect on the health of a tester.

2.48 Instead of increased levels of accompanied testing, the representatives of the driver testers have proposed regular training and refresher courses for all testers. Special training, discussion and demonstrations for testers whose test results are significantly and consistently different from the norm was also proposed as the preferred way to deal with the problem of non-uniformity of test standards.

2.49 In Britain and Northern Ireland, intensive supervision can be carried out where there appears to be a lack of uniformity. The number of accompanied tests to be carried out in these cases is not specified. Marking sheets are completed by the supervisor for all accompanied tests and these are compared with the marking sheet completed by the driver tester during the post-test discussion.

* *The result of the test depends solely on the judgment of the driver tester. The marking sheet completed by the supervisor would not be taken into account in arriving at a test result*

Conclusions

2.50 The Department has not yet introduced a driving theory test as required by the 1991 EU Directive.

2.51 On the basis of the statistical evidence and the special investigations carried out by the supervisory testers (although limited in scale), a uniform standard of driving test is not being applied. This has no implication for most test candidates who would pass or fail the test irrespective of where they took the test or which tester was involved. But for a significant proportion of candidates, the test outcome appears to depend on the location of the test and who is doing the testing.

2.52 Some variation in driving test pass rates between regions and testers is inevitable due to particular local circumstances and to random events. However, in managing and developing the testing process, the aim should be to eliminate the kind of systematic patterns evident in the pass rates in recent years.

3 Waiting Times for Driving Tests

3.1 The length of time an applicant has to wait for a driving test is a major determinant of the quality of service provided by the Department in respect of driver testing. This chapter examines how waiting times for driving tests have changed in recent years to establish if the Department has improved its efficiency in that regard and to identify how waiting times are managed.

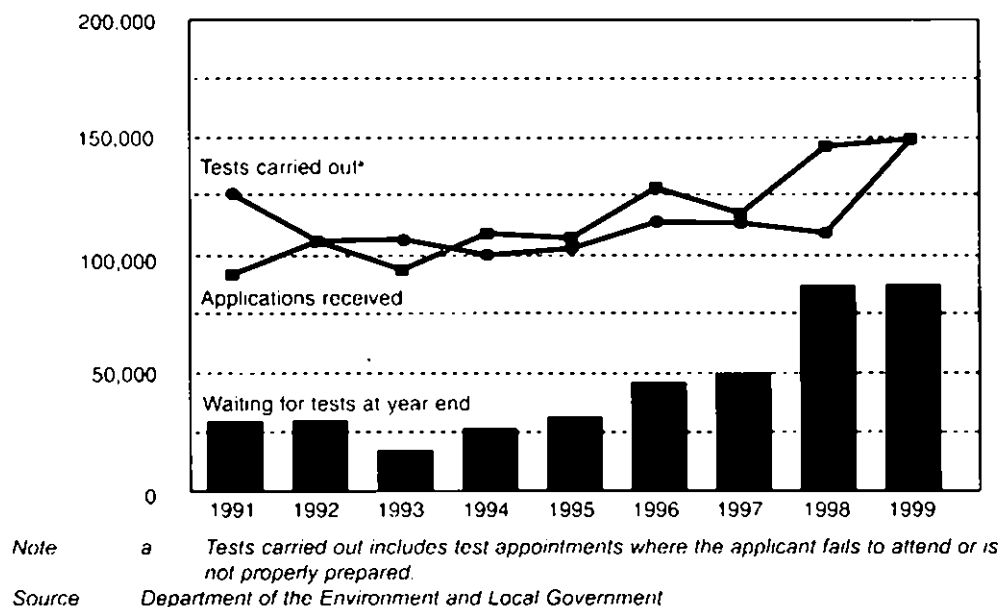
Meeting the Demand for Driving Tests

3.2 Figure 3.1 shows the number of applications received by the Department each year since 1991. Up to 1995, applications averaged just over 100,000 a year. The number of applications increased significantly in 1996 and again in 1998. Based on the number of applications received by the Department in the first eleven months of 1999, a 2% increase in applications is expected in 1999.

3.3 The number of driving tests carried out by the Department each year between 1994 and 1998 did not increase in line with the number of applications. Consequently, the number of people waiting for driving tests increased from 16,800 at the end of 1993 to over 86,800 at the end of 1998.

3.4 The waiting list continued to rise during early 1999, reaching a peak of 101,900 in May. As there has been a significant increase (about 36% extra) in the supply of tests in 1999, it is expected that the total number of tests carried out in the year will equal the number of applications received. Despite this progress, there will still be around 87,000 applicants on the waiting list at the end of 1999.

Figure 3.1 Throughput of driving tests, 1991 to 1999



3.5 A number of factors influence the level of applications for driving tests.

- **Demographic factors**, such as the high birth rates in the late 1970s and early 1980s, can result in substantial changes in the number of people in the age group permitted to drive.
- **Economic growth** and changes in employment levels increase the number of people who can afford to drive or who need to drive for work purposes.
- **Changes in driver licensing and testing requirements** can result in sudden or temporary increases in the number of applicants for tests.

3.6 No research has been carried out by the Department into the relative contributions of each of these factors to the growth in applications for driving tests which has taken place in recent years. The Department also has no methodology for predicting the future level of applications, even when changes it makes to driver licensing and testing regulations are likely to have an impact on the demand for tests. The lack of such a forecasting system undermines its ability to plan its services to meet future demand.

3.7 The Driving Standards Agency in Britain has developed a model to forecast the demand for driving tests, using relevant demographic and economic data. It also takes into account trends in test pass rates and in the likelihood that those who fail their driving tests will apply for further tests. This provides a reasonably accurate basis for planning the provision of services in the short to medium term.

3.8 The Department should examine the possibility of developing a model of this kind as a basis for planning driver testing services in Ireland. The Department states that the model used in Britain may not be appropriate for use here due to differences in the scale of demand. However, it is investigating the development of a model to forecast demand.

Waiting Time Targets

3.9 In December 1997, the Department adopted the following performance targets in relation to the amount of time applicants for driving tests would have to wait for their tests.

- Driving tests would continue to be arranged at short notice for all applicants in urgent need of a driving test (e.g. where the applicant requires a full licence to take up a job offer).
- From the beginning of 1999, driving tests would be provided to 95% of applicants within 15 weeks of the date of application.
- From the beginning of 2000, driving tests would be provided for all applicants within 10 weeks of the date of application.

3.10 The target waiting times adopted by the Department are similar to the target times adopted for driver testing services elsewhere. For example

- In Northern Ireland, the target is that driving tests will be offered within 9 weeks of the date of application. In addition, there is a target that the average waiting time for a test will be 4.3 weeks.
- In Britain, the target is that driving tests will be available within 10 weeks at 99% of test centres. The target national average waiting time is 6 weeks.

In both Northern Ireland and Britain, the waiting time targets were achieved in 1998/99.

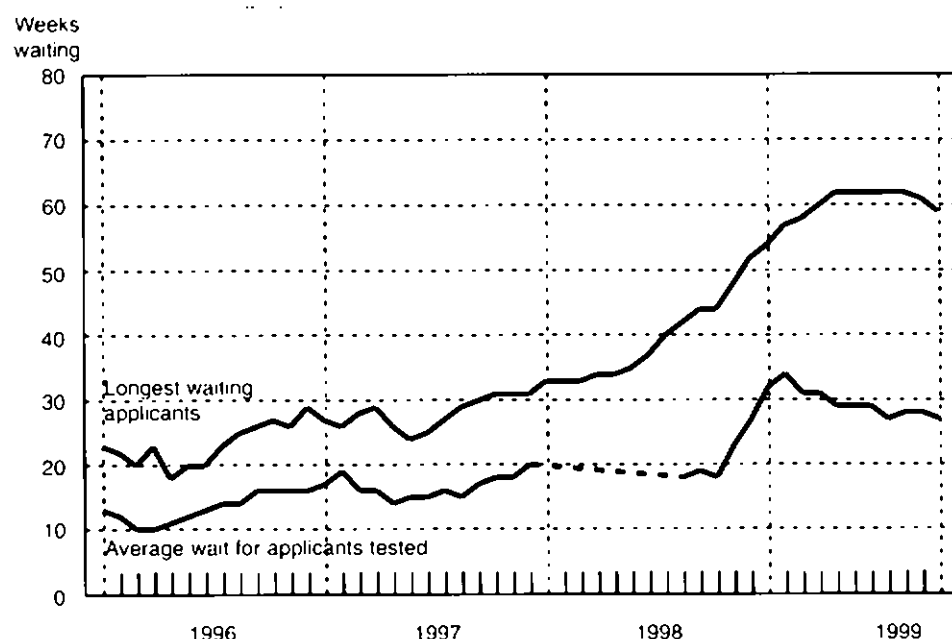
Actual Waiting Times

3.11 The Department monitors two primary measures of waiting time for driving tests. For each four-week period it identifies

- the longest time an individual applicant has been on the waiting list
- the average time those who are tested have been waiting.

3.12 Figure 3.2 tracks the two measures from January 1996 to November 1999. This indicates that there has been a very significant lengthening in the time applicants

Figure 3.2 Waiting times for driving tests, January 1996 to November 1999



Note Data on the average wait for applicants tested was not prepared from January to August 1998

Source Department of the Environment and Local Government

have to wait for tests over the period in question. The situation deteriorated very rapidly during 1998, when the number of applicants for tests was substantially higher than the number of tests provided.

3.13 Since early 1999, the average waiting time for a test has fallen somewhat. The longest time applicants had been waiting continued to rise until it reached a level of 62 weeks in May 1999. This measure has only begun to fall since October. Both measures need to move in a downward direction to demonstrate reliably that an improvement in waiting times has been achieved.

3.14 The longest number of weeks applicants have been on the waiting list is an important measure because it corresponds closely to the Department's waiting time target. The Department failed to reach the target set for 1999 and accepts that its January 2000 target will not be achieved. The Department's revised objective is that by the end of December 2000, driving tests would be provided for all applicants within 10 weeks of the date of application.

Variations in Waiting Times between Test Centres

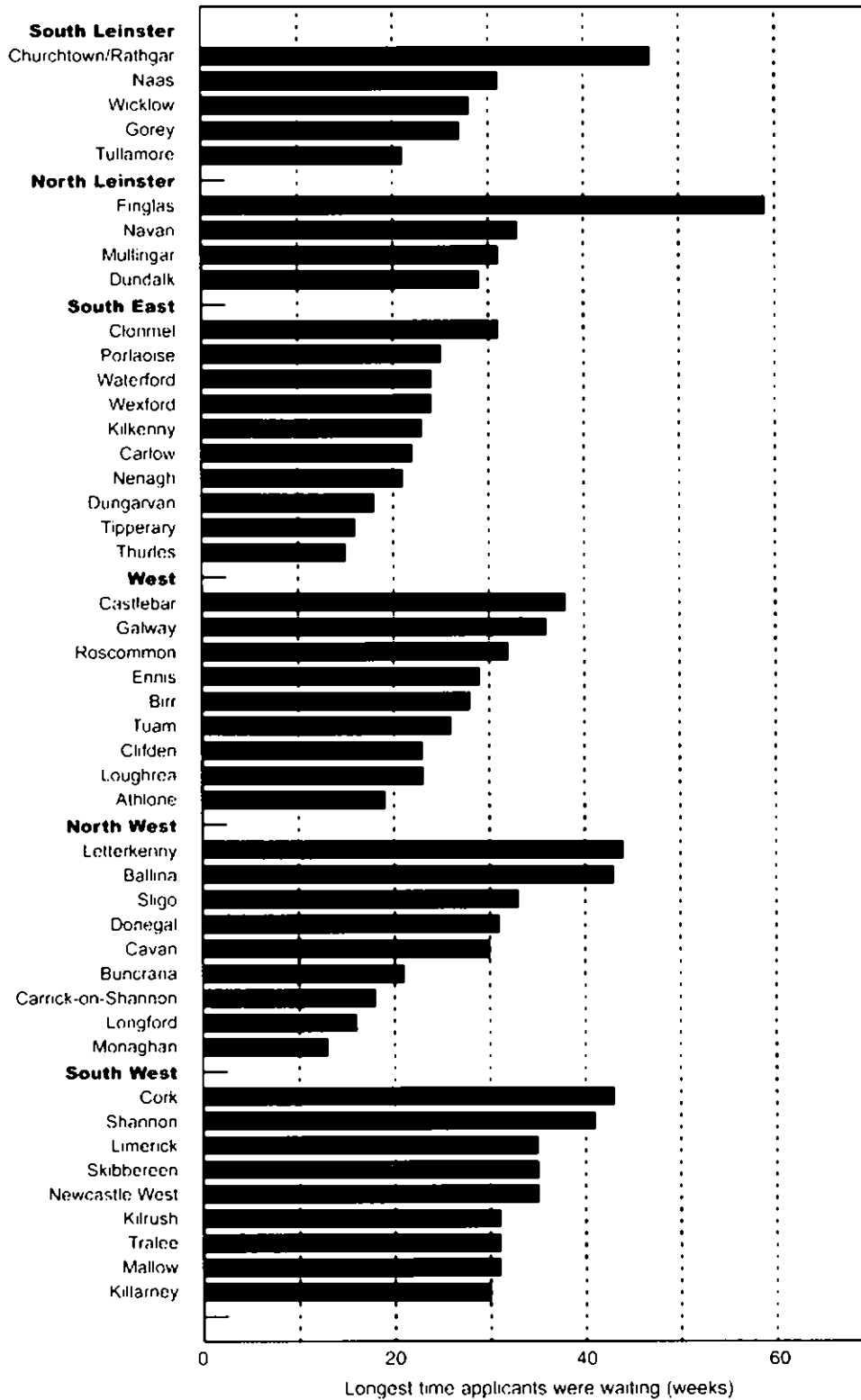
3.15 Figure 3.3 shows the longest time that applicants for tests were waiting in individual driving test centres in November 1999. This varies from around 13 weeks in Monaghan, a relatively small centre, to 59 weeks in Finglas, which is one of the busiest test centres.

3.16 For reasons of efficiency and fairness, driver testers should ideally be deployed so as to maintain reasonable consistency between the waiting times in the different centres and between regions. In practice, some variations in waiting times between centres and between regions would probably emerge in the short term.

3.17 Half of the driving test centres are designated as headquarters for staff assignment purposes (see Appendix A). Each driver tester is assigned to a particular headquarters.⁵ Tests in non-headquarters centres are carried out by testers who travel out from a headquarters centre on a rotational basis. In the North and South Leinster regions, all driver testers are headquartered in Dublin and travel to centres such as Mullingar, Tullamore and Gorey to carry out tests one week in three. In all other regions, testers work at their headquarters and at other centres on alternate weeks. In order to achieve this level of travelling away from their headquarters testers may also travel to other headquarter centres.

⁵ For 1999 the driver testers representative association have agreed to the temporary headquartering of a number of contract testers in Naas, Navan, Wicklow, and Ballina.

Figure 3.3 Longest waiting time for driving tests, by centre, November 1999



Source Department of the Environment and Local Government

3.18 Based on the pattern displayed in Figure 3.3, the current staff assignment and rotation arrangements are not achieving optimum efficiency, particularly in the two Leinster regions. There is a very considerable disparity between the longest waiting times in the headquarters centres, which are also the centres with the most applicants, and those in the non-headquarters centres. This implies that considerably more of the total amount of driver testers' time which is available in the Leinster regions should be used in carrying out tests in Dublin.

3.19 Apart from reducing the waiting times in the Dublin centres and balancing the waiting times between centres, a change in the ratio of time spent working at non-headquarter centres would reduce the amount of travel and subsistence payments made to driver testers and the time lost in travelling to non-headquarter centres. However, the staff association representing the driver testers have resisted any changes which would reduce their level of travelling.

3.20 In Britain and Northern Ireland, driver testers are headquartered on the basis of the level of demand for tests in individual centres. Testers travel to other centres as the need arises i.e. to meet customer service targets or where they are underutilised in their headquarters.

Conclusions

3.21 The number of driving tests carried out by the Department between 1995 and 1998 did not increase in line with the number of applications. In 1999, it is expected that the number of tests carried out will equal the number of applications received. However, the waiting list at the end of 1999 will be around the same as the end 1998 level.

3.22 The Department does not have a system to forecast the demand for driving tests and this hampers its ability to plan its services to meet future demand. It is currently investigating the possible development of a model to forecast demand.

3.23 Waiting times for driving tests are much longer than the target times set by the Department. The gap between the target and actual waiting is so large that the targets can only be seen as aspirational at this stage. More realistic interim targets should be set and revised regularly (say, every six months), based on the latest planned strategies and taking into account the current backlog of applications. The current status and interim targets should be published and made known to applicants.

3.24 The current staff assignment and rotation arrangements are not achieving optimum efficiency. There is scope for reducing waiting times in the centres where applicants are waiting longest for tests, particularly in the centres in Dublin.

4 Managing the Supply of Driving Tests

4.1 The number of driving tests which the Department needs to supply - the output of the service - is determined by the number of applications received. The Department has supplied significantly fewer tests than required in recent years. This has resulted in the growing backlog of applicants waiting for tests and a pressing need to increase the supply of tests. Since the nature of the test cannot readily be changed, an increased supply of tests can be achieved by employing more testers, by increasing the number of tests carried out by those currently employed or by a combination of both.

4.2 This chapter considers changes in the number of testers employed since 1995 and examines the efficiency with which the Department uses its driver testing staff. The way in which driver test appointments are managed is also considered.

Number of Testers Employed

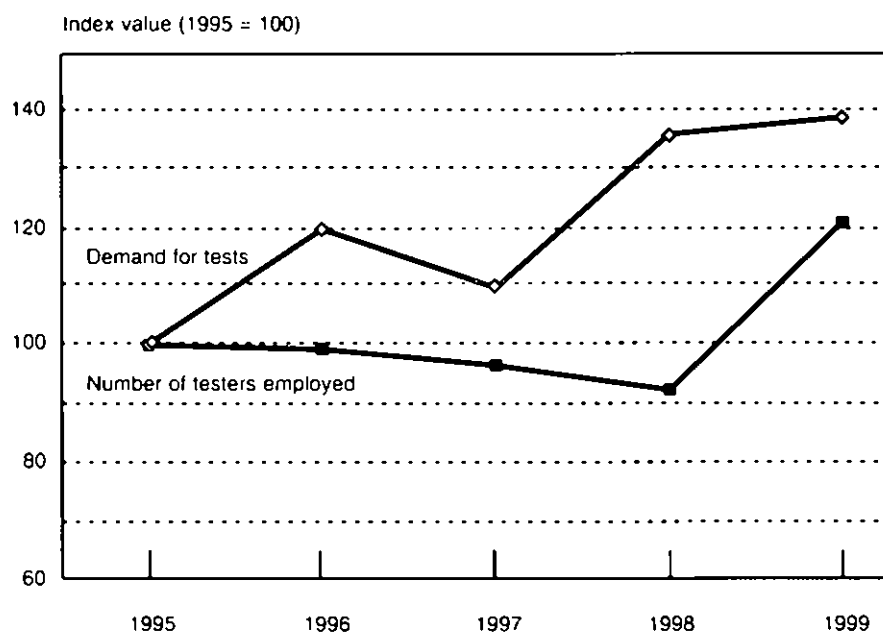
4.3 The number of driver testers employed by the Department is the main factor determining the number of tests it can supply. Driver testing is a demand-led service. This means that the level of output required is not directly controlled by the Department, which must try to plan to meet the demand for tests as efficiently as possible. Because the Department has not developed a system for analysing or forecasting demand for tests, it is hampered in trying to plan the number of testers required.

4.4 The level of demand for tests can change for reasons which are likely to persist over the medium or long term (e.g. demographic change or economic growth), or which are short lived (e.g. announced changes in driving test procedures, which may accelerate applications from current provisional licence holders). In planning the use of staff resources to meet such changes, achieving high levels of efficiency is likely to require a degree of flexibility in the way staff are recruited or used. For example, staff may be recruited on a permanent basis to deal with the underlying level of demand for tests. Temporary increases in demand may be met by recruiting staff on fixed term contracts or by more use of overtime work.

4.5 The backlog of applicants waiting for driving tests can be viewed as a buffer between the demand for tests from the public and the ability of the Department to meet that demand. With a proper balance between supply and demand, the Department should be able to control the level of the backlog. Flexible and efficient management of the level of staff resources employed would facilitate initiatives to lower (or raise, if necessary) the backlog and waiting times in a planned way.

4.6 Figure 4.1 shows that the number of testers employed by the Department has been very slow to respond to changes in the level of demand for tests. The drop in demand between 1996 and 1997 could have suggested that temporary factors were

Figure 4.1 Indices of change in demand for tests and in average number of testers employed, 1995 to 1999



Source Analysis by Office of the Comptroller and Auditor General

at play and that recruitment of staff on temporary contracts would have been appropriate. In the event, there was no recruitment of extra testers until almost three years after the increase in demand began.

4.7 The Department was reluctant to employ extra testers on a permanent basis until it could be sure that the ongoing level of demand for tests would remain at the increased level. In 1996, it proposed the employment of a number of testers on a contract basis. Although this was permitted under the terms of the Programme for Competitiveness and Work (PCW), the proposal was strongly resisted by the driver testers' representative association who wanted any new testers recruited to be employed permanently. The representative association also resisted a later proposal to employ five retired testers on a contract basis. Agreement on the engagement of new testers on one-year renewable contracts was reached only in November 1998, as part of a pay deal negotiated under the terms of the PCW. As part of this deal, it was agreed that contract testers would be rostered in exactly the same way as the existing permanent driver testers.

4.8 In 1997, the Department decided that extra permanent staff were required to meet the ongoing extra demand for tests. In August 1997, it asked the Civil Service Commission to carry out a recruitment competition on its behalf. Because of backlogs in the Commission, the competition was not held until June 1998. The first staff were recruited in November 1998.

Staff Productivity

4.9 Efficiency in the use of staff resources can be explored in terms of labour productivity i.e. the level of output per head of staff employed. Two measures of labour productivity can be used

- **average output per tester**, measured by the average number of tests provided per tester per year
- **staff utilisation rate**, where the average output per tester is expressed as a percentage of the maximum possible output per tester.⁶

4.10 The standard amount of time provided to carry out a driving test of the driver of a passenger car is 45 minutes. The Department's schedule allows for an individual tester to carry out nine such standard tests during a normal working day. Since a tester is normally expected to work 229 days a year, the maximum number of standard tests which can be supplied is 2,061 per tester per year.

4.11 In practice, a tester could not carry out this number of tests in any one year for a variety of reasons. For example, the following routinely reduce the time available for individual testers to carry out tests

- time spent by testers in undergoing training
- time spent by experienced testers involved in instructing new recruits
- absences due to sickness or compassionate leave
- time required to carry out administrative work
- time required to travel during official hours between headquarters and other test centres.

4.12 Other, less routine factors can also reduce the number of tests which can be carried out. For example

- Tests sometimes have to be cancelled at short notice because weather or road conditions are unsuitable for safe conduct of the test.
- The Department reduces the number of tests scheduled during winter months due to early evening darkness. In excess of 100 tests per tester are lost in this way.
- In certain areas, such as popular tourist centres, the number of tests to be carried out during peak tourist season was also reduced to eight a day because of traffic congestion.
- The Department agreed that less than the full number each day would be scheduled for a small number of testers, on medical advice.

⁶ *The way in which output of tests and number of testers employed is measured is explained in Appendix B.*

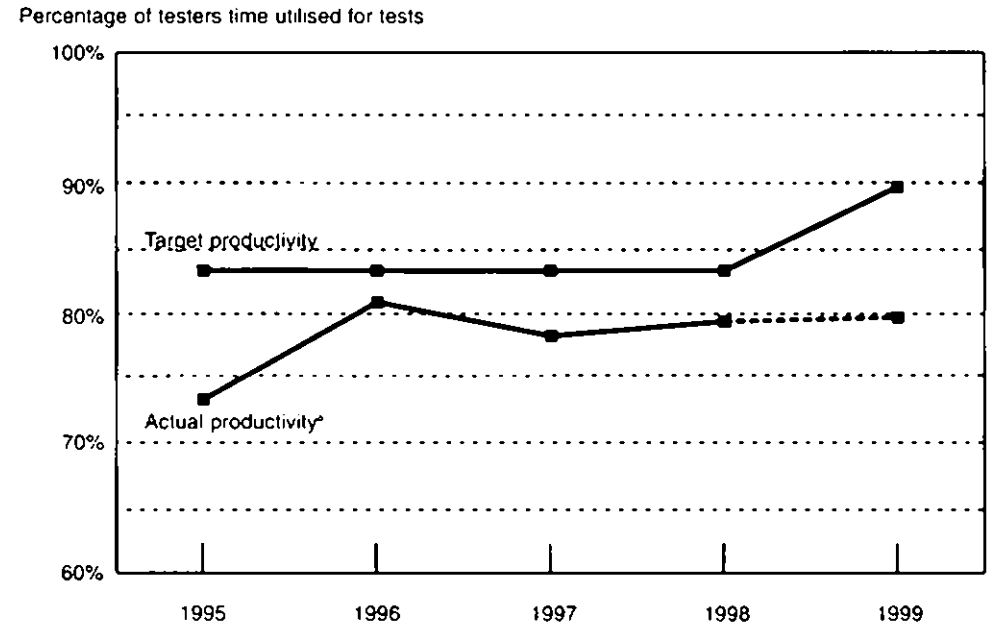
Target and Actual Productivity Levels

4.13 For practical purposes, a target staff productivity level is set. The gap between the target and the maximum number of tests to be carried out allows for all the kinds of 'losses' referred to above.

4.14 Up to November 1998, the target productivity the Department aimed to achieve was the equivalent of 1,716 standard tests per tester per year (83% of the maximum achievable). Following agreement of a productivity deal under the PCW in November 1998, the target has been revised up to the equivalent of 1,847 standard tests per tester per year (90% of the maximum). The increase of 131 tests per tester is intended to be achieved by scheduling a test during lunchtime each day during periods when tests are lost due to failing light, by cutting down on the amount of time provided for carrying out administrative work and by reducing the time allowed for travelling to other centres.

4.15 Figure 4.2 shows the target and actual productivity of driver testers in terms of the utilisation rate. The target level of productivity (i.e. 1,716 standard tests) was not reached between 1995 and 1998. After an improvement in productivity between 1995 and 1996, productivity declined in 1997 but recovered slightly in 1998. It is estimated that there will be no increase in productivity levels in 1999 despite the increase in the target level. The Department states that the underachievement of

Figure 4.2 Target and actual productivity in driver testing, 1995 to 1999



Note a Productivity for 1999 is forecast
Source Analysis by Office of the Comptroller and Auditor General

productivity in 1999 was due to the training requirements for new testers which involved an exceptional level of existing testers' time being required in acting as instructors.

Overtime Working

4.16 Carrying out driving tests on overtime is a means of raising the output of tests by increasing the amount of time a tester is available for work. Since both inputs and outputs are affected by overtime work, tests carried out on overtime are not included when calculating staff productivity. The impact of overtime working on efficiency levels can be measured instead in terms of unit costs of tests (discussed in the next chapter).

4.17 In 1995 and 1996, less than 5% of the Department's output of tests was produced on overtime working. The level of overtime working more than doubled in 1997. Since then, one test in ten has been provided on overtime.

Comparison of Productivity Levels

4.18 The driver testing agencies in Britain and Northern Ireland set and monitor productivity levels for driver testers for planning and management purposes. However, drawing comparisons between agencies is difficult because, although the basic concepts used are similar, there are differences in the way productivity is measured. The measures are also difficult to interpret because of differences in the arrangements for deployment of staff e.g. the extent and manner of use of overtime testing. Comparisons of efficiency between agencies are more meaningfully done in terms of unit cost of tests.

Management of Test Appointments

4.19 The measure of output of tests by the Department is the number of test appointments. For a variety of reasons, appointments may not be kept. Ensuring that as many appointments as possible are used to carry out tests and reduce the backlog of applicants is a means of maximising efficiency.

Appointment Cancellation by the Applicant

4.20 The Department writes to applicants for driving tests giving them five weeks advance notice of the date and time of their tests. If the appointment offered doesn't suit the applicant and he or she gives sufficient notice (at least 10 days), the

Department will normally arrange another appointment free of charge.⁷ The original appointment time is usually offered to an applicant who has indicated that he or she would be available at short notice to take a test.

4.21 In the period 1995 to 1998, around 25,000 (18% to 20%) of the appointments offered by the Department each year were cancelled by the applicants concerned. This gives rise to considerable extra administrative work. Almost all of the appointment times which became free through such cancellations were taken up by other candidates seeking tests quickly.

4.22 In Britain, the Driving Standards Agency operates both a postal and telephone booking system for driving test appointments. Applicants can phone an Agency office and nominate a date (or dates) which would suit them for taking a test. Agency staff check a computerised appointment reservation system covering all testing centres to identify a test time which is free. The applicant is offered the appointment, which may be secured by payment of the relevant fee. Credit card payment is accepted. The appointment is confirmed by post and the applicant is notified of the requirements he or she must fulfil (e.g. production of a current provisional licence) when presenting for the test. The possibility of setting up a similar system in Northern Ireland is being investigated by the Driver and Vehicle Testing Agency.

Candidates Failing to Keep Test Appointments

4.23 Each year, 6% to 7% of candidates scheduled to take tests fail to appear at the appointed time and so are not tested. Their applications lapse as a result and they must make fresh applications and pay the requisite fees.

4.24 If a large number of applicants regularly failed to turn up, there could be scope to schedule extra appointments so that testers are kept busy. However, this would only be practical in centres with a very large throughput of tests each day. The current incidence of applicants failing to show up for tests is too low to warrant introduction of an over-booking system, without running a high risk that many applicants could be left waiting for lengthy periods to have their tests.

Appointment Cancellation and Licence Renewal

4.25 Up to August 1994, local authorities could issue a third (or subsequent) provisional licence only if the driver concerned had applied to take a driving test or had sat (and presumably failed) a driving test in the preceding two years. The

⁷ *Applicants may refuse up to three appointment times offered in response to an application. Thereafter, the application lapses.*

Department then changed the regulations so that an applicant for the renewal of a provisional licence had to have taken a test. The regulation was relaxed subsequently so that drivers who had not undergone the test could have their provisional licences renewed for one year if a driving test appointment had been arranged.

4.26 The changes in the licensing regulations resulted in a significant increase in the number of applicants seeking test appointments urgently. The Department estimates that, since December 1997, over 60,000 appointments have been offered on foot of letters from local authorities confirming that applicants had to have test appointments arranged before their provisional licences could be renewed.

4.27 There is a risk that some drivers may only apply for tests to fulfil the licensing conditions and may fail to attend the appointment once the licence has been received. The Department has examined a sample of cases where applicants failed to show up for test appointments and concluded that the system is being used in this way.

Candidates Unprepared for their Driving Test

4.28 When the Department notifies test applicants of their appointment dates, it provides a list of requirements to ensure that their vehicle will be roadworthy for the test and that they will have all relevant documentation (e.g. a valid licence, insurance and motor tax disc) with them. Despite this, around 2% of test applicants each year fail to meet the requirements. In those circumstances, the test cannot proceed. The candidate's application lapses and a fresh application must be made.

Test Cancellation by the Department

4.29 In 1998, the Department cancelled around 2,400 (2.1%) of the scheduled tests at relatively short notice due to unavailability of a driver tester because of sudden illness or other unexpected reasons. Where the Department cancels a scheduled test, it tries to notify the applicant concerned immediately and, if possible, to stop the applicant making an unnecessary journey to the test centre. An alternative appointment to suit the applicant is offered free of charge. Where the test is cancelled on the scheduled test day due to the unavailability of the tester (460 cases in 1998), candidates can be compensated if they have hired a car for the test. In 1998, car hire compensation was paid in 16 cases at a total cost of £503.

4.30 In order to keep cancellations to a minimum, the Department has assigned two testers to provide emergency cover for testers who are unexpectedly absent. Two Dublin based testers are assigned to relief tester duties on a rotational basis. In

accordance with an agreement with the testers' representative association on utilising relief testers, priority is given in the case of one of the relief testers to cover absences outside Dublin. This can result in a relief tester travelling to another centre even where there is an unexpected absence in his/her own headquarters. Management should ensure that utilisation of relief testers is always based on maximising their operational efficiency.

4.31 In some circumstances, supervisors may also be used to provide emergency cover for unexpected absences by testers. The number of cancellations could be reduced if supervisors were used more often in these cases.

4.32 Where it cancels a test at short notice, the Driving Standards Agency in Britain is obliged to pay compensation to the applicant in recognition of the inconvenience and possible loss of earnings caused. As a result, it regards the percentage of tests it cancels as a key customer service and efficiency measure. In Northern Ireland, compensation equivalent to half the test fee is paid in cases where a test is cancelled by the Driver and Vehicle Testing Agency. Both agencies also provide a replacement test free of charge.

4.33 In both Britain and Northern Ireland, the aim is to keep test cancellations by the testing Agencies to a minimum. Fewer than 0.5% of test appointments were cancelled by the Agencies in 1998.

Conclusions

4.34 The emergence of long backlogs in the number of applicants waiting for driving tests is evidence that the Department has not managed the supply of driving tests adequately. It had insufficient flexibility in responding to the need for changes in staffing levels because of problems in reaching agreement with the staff representative association and because of difficulties in the civil service recruitment procedures.

4.35 The Department is not achieving the target level of staff productivity set and relies heavily on testing carried out on overtime in delivering test appointments. Both these factors suggest room for improvement in the supply of tests and have implications for the cost of test provision.

4.36 The Department is less efficient than driver testing agencies in Britain and Northern Ireland at minimising cancellations. Performance could be improved with more efficient use of the relief testers and greater use of supervisors in providing emergency cover.

5 The Cost of Driver Testing

5.1 The driver testing service is provided to applicants on a fee-paying basis. The Department's stated policy is to raise sufficient revenue from fees to cover the costs of providing the service. To ensure it is achieving that objective, the Department needs to know with a reasonable degree of accuracy the cost of providing the service.

5.2 The unit cost of driving tests is a useful measure of the cost of providing the service. It can also be used as a measure of the level of efficiency achieved by the Department, since it relates the costs incurred to the quantity of output. The unit cost is directly affected by changes in the level of productivity achieved and also takes into account changes in the use of overtime. Consequently, monitoring both unit costs and waiting time for tests should give a reasonably reliable overview of the Department's performance in relation to the achievement of efficiency in the delivery of the service.

5.3 The unit cost of providing driving tests is examined in this chapter. Because travel and subsistence payments to driver testers represent a significant part of the unit cost, a number of possible ways of reducing expenditure in that area are considered. Finally, the extent to which fees charged cover the costs of providing the service is examined.

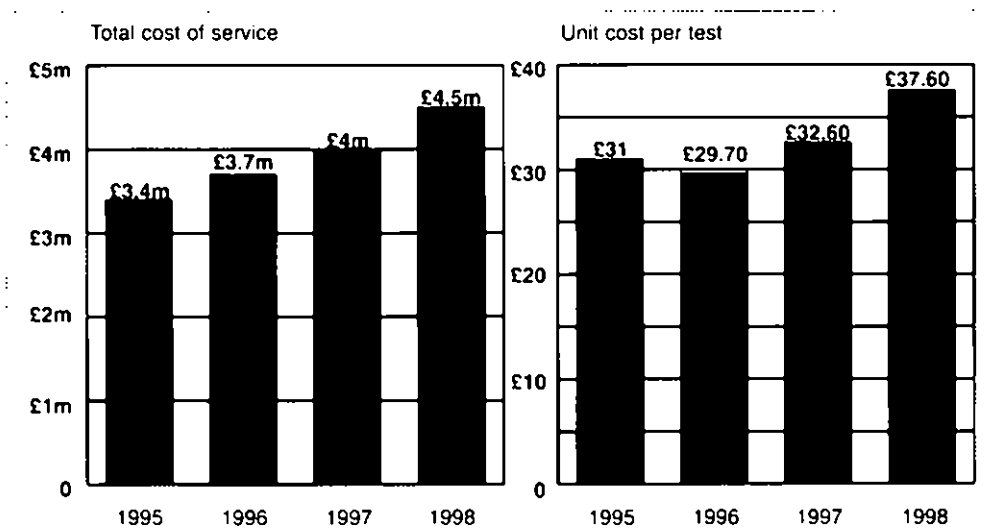
Unit Cost of Driver Tests

5.4 The costs of providing the driver testing service are not identified separately in the annual appropriation account for the Department. Consequently, it has limited information about the costs associated with the processing of driving test applications. Overall estimates of the cost of administration and of the provision of tests have been compiled by the Department, based generally on costing principles recommended by the Department of Finance. These include recognition of the full overheads and deferred costs (such as pension payments) associated with the provision of public services. Estimates of the cost of the service for the years 1995 to 1998 are presented in Appendix C.

5.5 The total cost of the driving test service in 1998 is estimated at £4.5 million (see Figure 5.1). This represents an increase of 31% on the level of expenditure incurred for 1995. Since the number of staff engaged in the provision of the service was largely unchanged over the period, most of the growth in expenditure was the result of increases in rates of pay and in overtime and travel and subsistence payments.

5.6 Just under a quarter of the expenditure incurred each year relates to the administration functions involved in receiving and processing applications, booking appointments and management and planning. The remainder of the expenditure, comprising driver tester salaries and expenses and the costs of running test centres, represent the direct costs associated with providing tests.

Figure 5.1 **Total cost of driver testing service and unit cost per test, 1995 to 1998**



Source *Analysis by Office of the Comptroller and Auditor General*

5.7 The rapid increase in total cost of providing the driver testing service over the period 1995 to 1998 is reflected in a similar increase in the unit cost per test. The unit cost dropped between 1995 and 1996, because the output of tests increased more than total expenditure. Since 1995, the average unit cost of tests increased by 21%. The general rate of inflation over the same period was 7%.

5.8 Since both the unit cost of tests and the waiting time for tests have increased substantially, the level of efficiency achieved by the Department in providing the driver testing service clearly dropped significantly between 1995 and 1998. The Department should monitor and report on movements in these measures on a regular basis to establish the effects on efficiency of changes in the management of the service or in the scale of the service provided.

5.9 The unit cost of providing driver tests in Britain in 1998/1999 was £40.45 (Sterling £34.22). In Northern Ireland, the unit cost in 1998/1999 was £31.37 (Sterling £26.54).

5.10 It is difficult to identify the costs of tests in individual test centres. This restricts the Department's ability to analyse variations in the levels of efficiency achieved and to identify areas where there is scope for improvement in performance at local level.

Travel and Subsistence

5.11 The level of travel and subsistence payments to driver testers is one area of expenditure which appears to offer significant scope for efficiency improvements. In

Table 5.1 **Travel and subsistence payments to driver tester staff, 1998**

	Supervisors	Driver testers
Total travel and subsistence payment	£100,000	£548,000
Average payment in year	£14,200	£7,200
Maximum individual payment	£16,100	£11,200

Source: *Department of the Environment and Local Government*

1998, driver testers received a total of £648,000 in respect of travel and subsistence claims. This is equivalent to £5.42 (14%) of the unit cost per test. In the Driver Testing Agency in Britain, travel and subsistence payments accounted for less than 2% of unit costs.

5.12 Table 5.1 shows the average travel and subsistence payment made to driver testers and supervisors in 1998. The maximum payment to an individual in each grade is also shown. The high level of travel and subsistence payments arises mainly because of the way driver testers are headquartered and because of the practice of rotating driver testers between headquarter and non-headquarter test centres.

Headquartering of Driver Testers

5.13 Each driver tester is assigned to a particular headquarters. Tests in non-headquarters centres are carried out by testers who travel out from a headquarters centre. Currently, driver testers are headquartered based on historical headquartering arrangements rather than on the basis of the current level of demand for tests in individual centres. Very few changes to headquartering of testers have occurred in recent years, despite the increase in the level of demand for tests.

5.14 A limited revision of headquartering arrangements was achieved in the context of the recruitment of new testers in 1998 and 1999. The driver testers' staff association agreed to the temporary assignment of five contract testers to non-headquarter centres in Naas, Navan, Wicklow and Ballina. The Department agrees that more extensive reform in this area is desirable and further revisions are being pursued through negotiations with the driver testers' representative association. The Department states however that predictable or desired outcomes are not always obtainable from the industrial relations process.

5.15 A change in the headquartering arrangements should lead to an increase in the number of tests which could be carried out, since time lost in travelling to centres should be reduced. The unit cost of tests should also fall because the travel and subsistence costs currently incurred in servicing the non-headquarters centres should

**Table 5.2 Estimated impact of headquartering of driver testers in 1998
based on target productivity level**

	Estimated impact of change in headquartering
Unit cost of providing driving tests	- 8%
Travel and subsistence payments to driver testers	- 53%
Tests carried out	+ 2%
Number on waiting list at year end	- 2%

Source: Analysis by Office of the Comptroller and Auditor General

be reduced. Table 5.2 shows an estimate of the impact on the performance of the driving testing service in 1998 if at least one tester had been headquartered in each centre where a minimum of 1,716 tests (i.e. the target productivity level per tester) were carried out.

5.16 It is estimated that this minor change in headquartering would have halved the cost of travel and subsistence and would have reduced the unit cost of tests by around £3. The number of tests carried out would have been increased by around 2,000 tests and the waiting list reduced accordingly. The impact of the change in headquartering would have been particularly significant in the North and South Leinster regions, which had the longest waiting lists in 1998. Travel and subsistence costs would have reduced by 60% and an additional 1,000 tests would have been completed.

5.17 The employment of a significant number of new driver testers during 1999 could have been used as an opportunity to revise headquartering arrangements on the basis of the current level of demand for tests in individual centres. Most of the required changes could have been carried out without the need for widespread re-location of the driver testers already employed.

5.18 In November 1998, the Department's right to alter headquartering arrangements to improve efficiency and economy was affirmed in the findings of an Adjudication Board on proposed measures to improve the flexibility and productivity in the delivery of the driver testing service. The Board concluded that

... there is nothing in the (general flexibility document agreed under the Programme for Competitiveness and Work) which would prevent the Department from assigning or rotating temporary driver tester staff to such locations as it saw fit so as to reduce test arrears ... this accords with the general principle that the employer is free, subject of course to appropriate

consultation, to decide where to assign staff in the interests of economy and efficiency.*

5.19 In carrying out any revision of headquartering arrangements, the option of closing or relocating test centres should also be considered. The volume of tests carried out at some centres is very low. In most cases, these centres are located in small towns with relatively underdeveloped road systems and a limited number of traffic features. Decisions about their continued suitability as test centres should be based primarily on test standard criteria but their impact on the unit cost of providing tests should also be assessed. Closure of such centres on the grounds that they do not provide an adequate opportunity to test applicants might inconvenience some test applicants but could also reduce unit costs.

Rotation of Driver Testers between Centres

5.20 Driver testers travel to other centres on a regular rotation basis. One reason for the regular rotation was so that candidates who were repeating tests were not tested again by the same tester. The driver testing Agencies in Britain and Northern Ireland do not consider it necessary to ensure that repeat candidates are tested by different testers.

5.21 The current levels of travelling to other centres i.e. every second/third week is far in excess of the level required in order to ensure that repeat candidates are tested by different testers. It is estimated that in 1998, the level of travelling to other centres could have been reduced by 17% while still providing for repeat tests to be carried out by a different tester each time. This would have reduced expenditure on travel and subsistence by £91,000 and an extra 700 tests could have been performed.

5.22 During 1999, as a temporary measure to reduce the number of tests lost through rotation of driver testers, the Department agreed to allow testers to travel outside of normal working time. Driver testers who volunteered to operate the system received overtime and extra subsistence payments. These resulted in the unit cost of the extra tests being considerably higher than the 1998 average unit cost for tests. (See case study over.)

Travel by Supervisory Testers

5.23 Some savings could be made in travel and subsistence payments to supervisors if in general they allocated their supervisory visits on the basis of the number of testers

* *Appendix 1 to Departmental Council Report on Agreement in relation to Driver Testers, 16 November 1998*

Case Study 1

Initiative to reduce the impact of travelling time on output of tests

Driver testers work at non-headquarter centres for a week at a time. Depending on the distance the driver tester has to travel to the centre, a number of test periods are not scheduled for the tester at the start of the week to allow time for travel and a review of test routes. In April 1999, the driver testers agreed that, on a voluntary basis, they would travel on overtime and carry out extra tests during normal working hours. In return, the Department agreed to pay them for the time spent travelling at overtime rates and to pay an extra overnight subsistence payment.

Between 31 May and 28 August, driver testers elected on 319 occasions to be scheduled for extra tests at the start of their duties at non-headquarters centres. An extra 545 tests were carried out, at a total extra cost to the Department of around £25,600. The unit cost of the extra tests was around £47.

working in particular centres, rather than on visiting each centre on an equal basis. For example, in North and South Leinster, the supervisors travel each week to each centre even though during any week the majority of the testers in the region are working in the Dublin centres.

Fee Income

5.24 As a matter of policy, the driver testing service is required to be self-financing. This means that the income generated through fees should be sufficient to cover the cost of the provision of the service.

5.25 The Department decides the level of fees to be charged for tests, which are set by Ministerial order. The current schedule of fees (see Table 5.3) was set in 1992. Since tests in commercial vehicles take twice as long to carry out as tests in

Table 5.3 Test fees in 1999

Type of vehicle	Test fees	Time allowed for test
Motorcar	£30	45 minutes
Motorcycle	£30	45 minutes
Small commercial vehicles	£50	90 minutes
Large commercial vehicles	£60	90 minutes

Source: *Department of the Environment and Local Government*

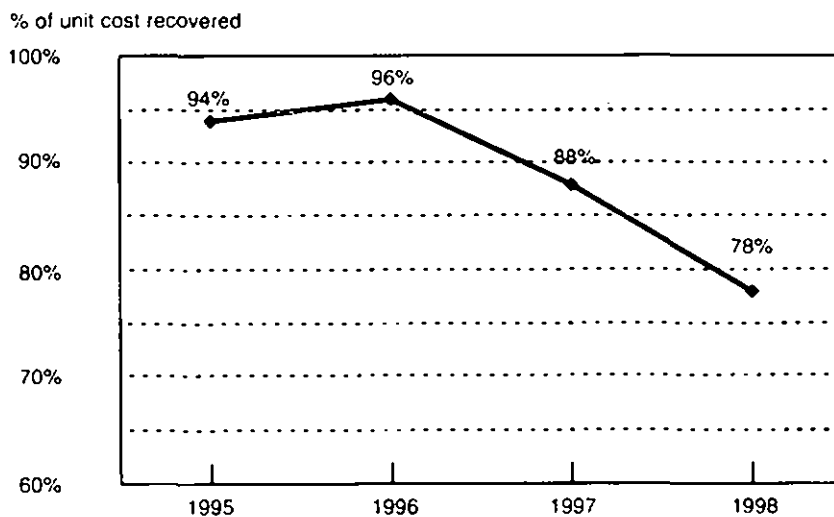
passenger cars (i.e. two standard test units), higher fees are imposed. However, only £50 is charged for tests in light commercial vehicles, although the time required to carry out a test is the same as for large commercial vehicles, for which the fee is £60. There is no variation in fees for tests carried out on Saturdays.

5.26 Because the fee structure favours applicants for tests in light commercial vehicles relative to other applicants, the average fee received by the Department for tests carried out in 1998 was £29.20 per standard (45 minute) test unit. Since the unit cost of providing tests in 1998 was £37.60, this implies the Department recovered only 78% of its costs. By comparison, it recovered through fees almost 97% of the cost of tests carried out in 1996. (See Figure 5.2.)

5.27 Overall receipts from fee income have increased rapidly in line with the increased demand for tests. In 1998, the Department received £4.6 million from applicants for tests. This represents an increase of 36% on the income from fees received in 1995.

5.28 Fee income in 1998 was almost sufficient to cover the estimated cost of providing the service in that year. However, because of the continuously increasing backlog for tests, the Department received a considerable amount of fee income in advance of the time when tests will be carried out. It is estimated that for the backlog of 86,800 applications at end December 1998, the Department has received pre-payments of around £2.7 million in fees. The estimated cost of carrying out those tests at 1998 prices is £3.6 million. Allowing for further cost increases, including the carryover effects into 1999 of pay increases awarded during 1998, this implies a very substantial financial loss to the taxpayer in providing the driver testing service.

Figure 5.2 Percentage of unit costs of driver tests recovered through fee income, 1995 to 1998



Source: Analysis by Office of the Comptroller and Auditor General

Comparisons on Cost Recovery

5.29 The driver testing services in Northern Ireland and Britain are required not only to recover costs through fees but also to generate a sufficient margin of fee income over expenditure to generate a target return on the capital employed in providing the service. Test fees currently charged for passenger car tests are 26% higher in Northern Ireland and 45% higher in Britain than those charged by the Department. Fees for motor cycle tests are 67% higher in Northern Ireland and 77% higher in Britain.

5.30 In both Britain and Northern Ireland, applicants can opt to have their tests carried out in the evening or on a Saturday but must pay a higher fee. The premium payable ranges from 22% to 50% of the basic application fee. No such premiums are applied by the Department. The Department states that as the provision of tests on Saturday is a temporary measure designed to reduce the waiting list (and not to offer customer choice), it would not be appropriate at present to charge a premium. However, it will be considered in the future.

Conclusions

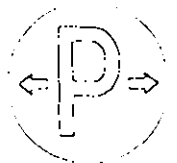
5.31 The unit cost of driving tests rose rapidly over the period 1995 to 1998. Since this occurred when waiting times for tests were also becoming considerably longer, the level of efficiency achieved by the Department in providing the service fell substantially during the period.

5.32 There appears to be considerable scope for achieving greater economy and efficiency in the operation of the driver testing service through a change in the current headquartering and rostering arrangements. Headquartering testers in test centres on the basis of demand for tests and reducing the amount of time testers travel between centres to the level required to achieve operational efficiency offer the greatest scope for generating savings and increasing the output of tests.

5.33 Driver testers travel to other centres on a regular rotation basis. One reason for the regular rotation was so that candidates who were repeating tests were not tested again by the same tester. The current levels of travelling to other centres are far in excess of the level required in order to achieve this aim.

5.34 The Department is not achieving its stated policy of recovering the cost of the driver testing through charging fees for the service. Currently, the fees charged cover only about three quarters of the costs incurred. This implies a very substantial financial loss to the taxpayer in providing the driver testing service. If the stated policy is to be implemented, the level of fees charged must be increased. However, any adjustment to fee levels should take into account the scope for reducing costs through improved efficiency.

Appendices



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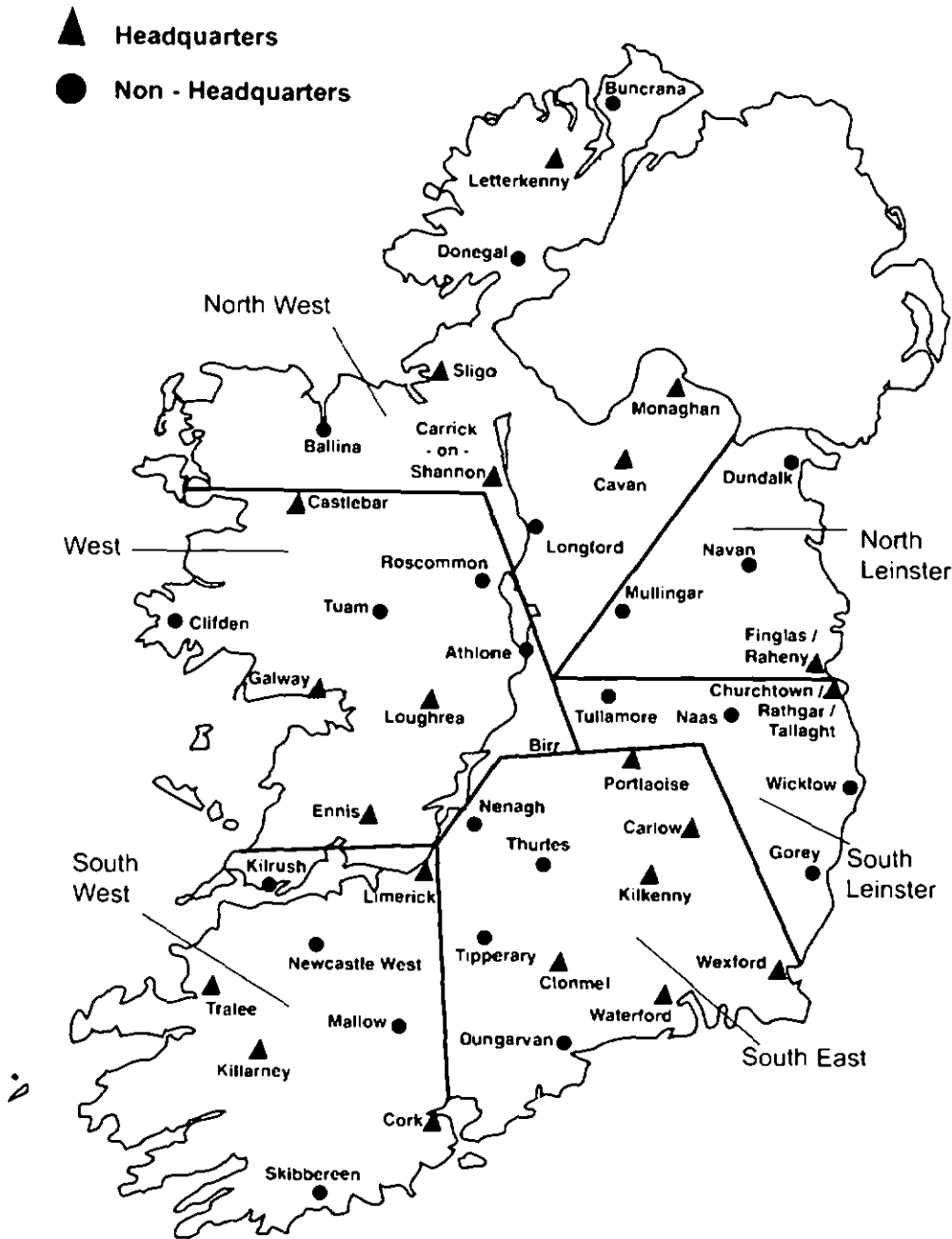
Appendix A Driving Test Centres

The map shows the location of the driving test centres and their status i.e. headquarters and non-headquarters. For 1999, five contract testers are temporarily headquartered at non-headquarter centres Naas (2), Navan, Wicklow and Ballina.

Two new centres were opened in 1999, in Raheny and Tallaght. The following centres are combined by the Department for statistical purposes

- Raheny and Finglas
- Tallaght, Churchtown and Rathgar.

Driving Test Centres



Appendix B Measuring Staff Productivity

Staff productivity within a service is concerned with the relationship between the level of output achieved by the service and the level of resources employed in producing that output. In general, the higher the level of staff productivity, the greater the level of efficiency achieved. Planning of staffing levels for the efficient provision of a service depends on knowing what level of staff productivity is achievable.

Measurement of the level of staff productivity achieved requires definition and measurement of output and staff units. Issues of definition and measurement in relation to the driver testing service are discussed in the following sections.

Output of the Driver Testing Service

The obvious measure of output of the driver testing service is the number of tests provided. However, not all tests take the same amount of time. The standard amount of time provided to carry out a driving test in a passenger car is 45 minutes. Motorcycle driving tests take about the same amount of time. Tests on heavier vehicles require about twice as long to complete.

For comparison purposes, the number of tests provided can be converted to an equivalent number of standard 45-minute tests. Table B.1 shows the number of actual tests carried out each year from 1995 to 1998 and the equivalent number of standard tests.

The Department's output of driving tests is greater than the number of tests actually carried out. A significant number of applicants fail to turn up for the tests scheduled for them. A further significant number of tests do not proceed because the applicants turn up for the test without the necessary documentation (e.g. a valid current provisional driving licence) or with a car which, in the opinion of the tester

Table B.1 Driving tests carried out and equivalent number of standard tests, 1995 to 1998

Year	Number of tests carried out	Standard (45 minute) tests equivalent
1995	93,400	100,700
1996	103,500	111,800
1997	103,400	112,300
1998	100,100	109,300

Source Department of the Environment and Local Government

Table B.2 **Output of driving tests, 1995 to 1998**

	1995	1996	1997	1998
	standard (45-minute) test units			
Tests carried out	100,700	111,800	112,300	109,300
Applicant fails to show up	7,900	8,700	8,200	7,300
Applicant not properly prepared	2,000	2,500	2,600	2,800
Applicant repeatedly refuses appointment	500	500	600	300
Total output of tests	111,100	123,500	123,700	119,700
Of which, carried out on overtime	2,900	5,100	12,300	11,600

Source: Department of the Environment and Local Government

concerned, is not roadworthy. In either case, the Department has supplied a test opportunity which should be counted as part of its output of tests

Applicants are notified four to five weeks in advance of the date and time of their tests. If an appointment offered is unsuitable, the applicant concerned may cancel the appointment. As long as the applicant gives the Department at least 10 days notice, the Department offers a replacement appointment free of charge. Where an applicant declines offers of appointments for the third time, the application is regarded as having lapsed. This arises in relation to around 300 to 500 applications per year.

Table B.2 shows the total output of the driver testing service each year from 1995 to 1998, based on the number of standard test units. All completed applications are included, whether or not an actual driving test has been carried out.

Tests carried out on Saturdays on overtime are part of output. Overtime work is carried out on a voluntary basis and involves extra payments and is a means of increasing the amount of (staff) inputs for an activity. Consequently, since it affects both the level of output and the level of staff resources, and may be resorted to as circumstances demand, it is best to exclude it from comparisons of productivity over time.

Level of Staff Resources

In calculating staff productivity levels, the number of 'whole time equivalent' (WTE) driver testers must be estimated. This takes account of changes in the number of testers employed throughout the period examined as individual testers resign or retire and new testers are employed. Also, since testers on long-term sick leave are

Table B.3 **Number of driver testers at 1 January and whole time equivalents for year, 1995 to 1999**

	1995	1996	1997	1998	1999
Driver testers (at 1 January)	71	72	70	68	74
Whole time equivalents	71.5	71	69	66	87

Source: Department of the Environment and Local Government

unavailable to carry out testing work, they are discounted when calculating productivity. (When estimating unit costs, their salary expenses should be included as an overhead.)

Supervisory driver testers are excluded from the estimate of WTE testers. While they carry out some scheduled tests for standard setting purposes and may occasionally carry out tests when driver testers are unexpectedly unavailable, they are not relied on in planning the supply of tests.

Table B.3 shows the number of driving testers employed on 1 January each year from 1995 to 1999. The number of WTE testers for each year 1995 to 1997 is estimated as an average of the number employed at the start of that year and the number employed at the start of the following year. The WTE estimate for 1998 is calculated differently because six extra driver testers were recruited only in November 1998 and spent the remainder of the year in training. Consequently, they are not regarded as being available to carry out testing work. The number of WTE testers for 1999 is estimated as an average of the number employed at the start of that year and the number employed at the beginning of December 1999.

The number of days a driver tester is normally expected to work each year, after allowing for weekends, public holidays and annual leave is estimated at 229. The basis for this estimate is set out in Table B.4.

Table B.4 **Number of normal working days for driver testers**

		Number of days
Days in year		365
Less	Weekend days	104
	Public holidays/privilege days	12
	Annual leave allowance	20
Normal working days		229

Appendix C Driver Testing Costs 1995 to 1998

	1995 £'000	1996 £'000	1997 £'000	1998 £'000
Technical Costs				
Salaries ^a	1,330	1,378	1,422	1,672
Overtime	30	63	169	163
Total salary cost	1,360	1,441	1,591	1,835
Employers PRSI	51	46	46	53
Pension	222	230	237	279
Travel & Subsistence	567	607	649	648
Overheads ^b	408	429	468	542
Total	2,608	2,753	2,991	3,357
Administration Costs				
Salaries	476	519	603	652
Employers PRSI	13	12	11	15
Pension	79	87	100	109
Travel & subsistence	7	9	8	9
Overheads ^b	256	279	321	354
Total	831	906	1,043	1,139
Total Costs	3,439	3,659	4,034	4,496

Note: a Programme for Competitiveness and Work arrears paid in 1998 have been allocated to the years to which they relate.

b Overheads are estimated at 25% of total salary cost for technical staff and 47% of total salary cost for administrative staff.

Appendix D Recommendations

Ensuring Uniform Driving Test Standards

1. The Department should take steps to ensure that uniform test standards are put in place to remedy the current situation where for a significant proportion of candidates, the test outcome appears to depend on the location of the test and who is doing the testing.
2. Efforts should continue to be made to standardise test routes. Consideration should be given to closing centres where, due to the limitations of the adjacent road network, the routes do not provide all of the desired test features. Analysis should be carried out to determine if differences in routes influence the pass rate.
3. In an effort to improve uniformity in the conduct of driver testing, the Department should
 - set annual training level targets
 - provide both on-the-job and formal training in order to remedy skill/knowledge deficiencies of driver testers
 - continue to carry out regular statistical analysis of pass rates (In carrying out the analysis, the primary focus should be on the results of tests carried out at individual centres, comparing the pass rates for the different testers who regularly operate there.)
 - introduce the revised marking sheet, marking guidelines and standard procedures as soon as possible
 - review all test procedures and documentation regularly with some input from driver testers
 - carry out regular customer surveys to assess customer satisfaction with the service provided
 - make accompanied testing more effective at achieving its aims by including the completion of a marking sheet by the supervisor during the test and increased levels of accompanied testing in relevant cases identified through fixed protocols.

Waiting Times for Driving Tests

4. Changes should be made to the current staff headquartering and rotation arrangements to help meet waiting time targets.
5. Realistic targets for waiting times should be set and revised regularly. The targets should be published and made known to applicants.

6. The Department should set internal targets for maximum and average waiting times.

Managing the Supply of Driving Tests

7. Variations in the backlog of applicants waiting for driving tests should be monitored as an efficiency indicator.
8. The Department should make every effort to minimise short term cancellation of tests. This could include more efficient deployment of relief testers and greater use of supervisors in providing emergency cover. Where cancellations are made on the day of the test, due to the unavailability of the tester, all applicants should be informed of the available compensation allowances.

The Cost of Driver Testing

9. The Department should monitor and report on movements in both the unit cost of tests and the waiting time for tests on a regular basis to establish the effects on efficiency of changes in the management of the service or in the scale of the service provided. This should be done on a national, regional and individual centre basis.
10. The headquartering of driver testers should be based on the level of demand for tests at individual centres. Testers should only travel to other centres based on operational need i.e. to meet customer service targets or where they are underutilised in their headquarters.
11. In carrying out any revision of headquartering arrangements, the option of closing test centres should be considered. In order to reach a decision, the Department should take into consideration customer service, standardisation of route design and cost factors.
12. The practice of rotating testers in order to ensure that candidates repeating tests are not tested again by the same tester should be reviewed. The review should consider the level of demand for this service from current customers, the cost of providing the service and whether there are alternative methods of achieving the aim. In advance of the review, in order to reduce costs, the current level of rotation should be reduced to the minimum level required to achieve the original aim.
13. Any adjustment to fee levels designed to ensure recovery of the cost of driver testing should take into account the scope for reducing costs through improved efficiency.