

**Level 3 Certificate of Professional
Competence for Transport Managers
(Road Haulage) Unit R2 Case Study**

05689

**Friday 15 September 2017
1.00 PM – 3.15 PM**

Time Allowed: 2 hours 15 minutes

Case Study

This document consists of 8 pages. Any blank pages are indicated.

Background

Clothing & Accessories Ltd (CA) is a wholesaler for the UK fashion market, operating from its freehold warehouse in Gloucester. CA imports products from manufacturers outside the UK, mainly transported by road from mainland Europe. Its biggest customer is a chain of retail stores (NHR), whose primary distribution centre is in Folkestone.

CA holds a Restricted operator licence, authorising seven vehicles and two trailers in the Western Traffic Area until June 2021. Vehicle maintenance is carried out in house.

Vehicle Type	Number of vehicles	GVW (kg)	*Average distance per annum (km)	*Average use per annum (days)	Fuel consumption (km per litre)	Used for
Van	6	3,500	77,000	300	11	Clothing deliveries
Rigid box-bodied lorry	3	5,250	29,000	260	10	Clothing deliveries
Tractor unit	1	40,000	65,000	200	8	Clothing collections and deliveries
Semi-trailer	2	n/a	82,500	200	n/a	Clothing collections and deliveries

*The average distances and days in use per annum given above are per vehicle.

Fig.1

The vans and rigid box-bodied lorries usually operate full, but within 50% of their maximum payload weights. The articulated combinations also usually operate full, but at 100% of their maximum payload weights.

Current Staff

The employees currently working at CA's Gloucester premises comprise:

1 Depot Manager	1 Transport Supervisor
4 Warehouse Supervisors	3 Accounts staff
1 Transport Manager	2 Goods-in/out staff
1 Finance & Administration Manager	1 Workshop Supervisor
3 Administrators	1 Workshop Mechanic
9 Warehouse staff	10 Drivers
1 Warehouse manager	

Fig.2

David Maw (Subcontractor)

CA contracts with David Maw to carry out collections of goods from suppliers, involving frequent international journeys. David is an owner-operator who holds a Standard International operator licence in his own name, authorising one vehicle and one trailer in the South East & Metropolitan Traffic Area until 31 March 2020. He is the nominated transport manager on this licence. David operates one tractor unit, which tows one of CA's semi-trailers when working for the company. David parks at his operating centre, located at NHR's premises in Folkestone when not in use, often with one of CA's semi-trailers attached.

Current issue

Collection and delivery to be completed tonight

David is currently returning from Italy to Folkestone, carrying products for CA. These materials are needed for sorting and re-packaging at the Gloucester warehouse tomorrow morning, Saturday 16 September 2017.

David has sent CA a message, saying that he will arrive at his operating centre by midnight tonight, and that he will have to go to his home immediately on arrival to take a weekly rest. He is due to take one of CA's unladen trailers to Italy on Monday, to collect further goods. This trailer is currently parked at the loading bay in Gloucester, not coupled to its tractor unit because there is insufficient space.

CA's Transport Manager (Dianne Whittaker) has decided to send one of CA's drivers (Adrian Smith) to take the unladen trailer from Gloucester to David's operating centre in Folkestone. In Folkestone, Adrian will swap his trailer with the trailer coupled to David's tractor unit, and return to Gloucester with the laden trailer that David has brought from Italy.

The following information is available:

- Adrian took a reduced weekly rest period last Sunday and has taken reduced daily rest periods on each of Monday, Tuesday and Wednesday this week. His last shift finished this morning at 08.00hrs.
- Adrian is to start work today as early as possible, and he must return to Gloucester at the earliest possible time.
- The distance from CA's warehouse in Gloucester to David's operating centre at NHR's premises in Folkestone is 315km.
- The average speed to be used for Adrian's outward and return journeys is 70kph. The times to be allowed in schedules for trailer coupling/uncoupling include any required shunting and are to be scheduled as other work.
- At Gloucester, Adrian is to be allowed 15 minutes to check the tractor unit and 10 minutes to check and couple the semi-trailer to his tractor unit.
- At Folkestone, Adrian is to be allowed 5 minutes for each semi-trailer to be uncoupled from its tractor unit and 10 minutes for each semi-trailer to be checked and coupled to the other tractor unit.
- On return to Gloucester, Adrian is to be allowed 5 minutes to uncouple the laden semi-trailer.
- Adrian is to carry out all uncoupling and coupling of trailers. David has promised to leave the keys to his lorry with security staff at the gate to his operating centre.

Other issues

Vehicle replacements and driver availability

CA's three 5,250kg GVW lorries are almost five years old and need to be replaced. Dianne thinks that there are no longer enough advantages to justify operating these vehicles and would prefer to purchase lorries of 12,000kg GVW. She believes that the additional carrying capacity will allow the company to operate one less vehicle.

CA's ten drivers comprise six who hold Category B driving entitlement only, three who also hold Category C1 driving entitlement through 'grandfather rights', and one driver (Adrian) who also holds Category C+E driving entitlement. The four lorry drivers all hold current Driver Qualification Cards and digital tachograph driver cards.

Collecting materials from mainland Europe

David Maw has told Dianne that he will retire at the end of 2017. She has decided that CA will not replace him with another subcontractor.

Dianne intends that CA will buy David's tractor unit from him on the day of his retirement and continue to operate it from NHR's site in Folkestone. CA will use drivers from an agency in the Folkestone area to carry out the international collections and UK deliveries.

Costing data

CA's Finance & Administration Manager (Shona White) prepared an annual budget for the Transport Department for 2017, shown below.

CA Transport Department Fleet Budget 2017	
Cost item	Annual budget (£)
Depreciation (vans)	12,000
Depreciation (5,250kg GVW lorries)	7,500
Depreciation (tractor unit)	5,500
Depreciation (semi-trailers)	4,200
Other standing costs	43,089
Tyres	20,254
Fuel (based on £1.20 per litre)	71,500
Maintenance	85,690
Total	249,733

Fig.3

The company allocates costs to jobs as follows:

- Depreciation costs are allocated on a 'per day' basis (regardless of the length of time in use each day), using each vehicle/trailer's average number of days in use per annum.
- Other standing costs are allocated equally to each unit (van, lorry, tractor unit, trailer), assuming 265 days use per annum for all vehicle types.
- Fuel costs are allocated on a usage basis, per km.
- Tyres and maintenance costs are allocated by dividing the total of each of these costs by the total average distance travelled by the fleet, to give the rate per kilometre to be applied.

Dianne is reviewing the current intervals between safety inspections for the fleet, based on the guidance provided in the DVSA Guide to Maintaining Roadworthiness.

Guide to Safety Inspection Intervals

(Extract from the DVSA Guide to Maintaining Roadworthiness)

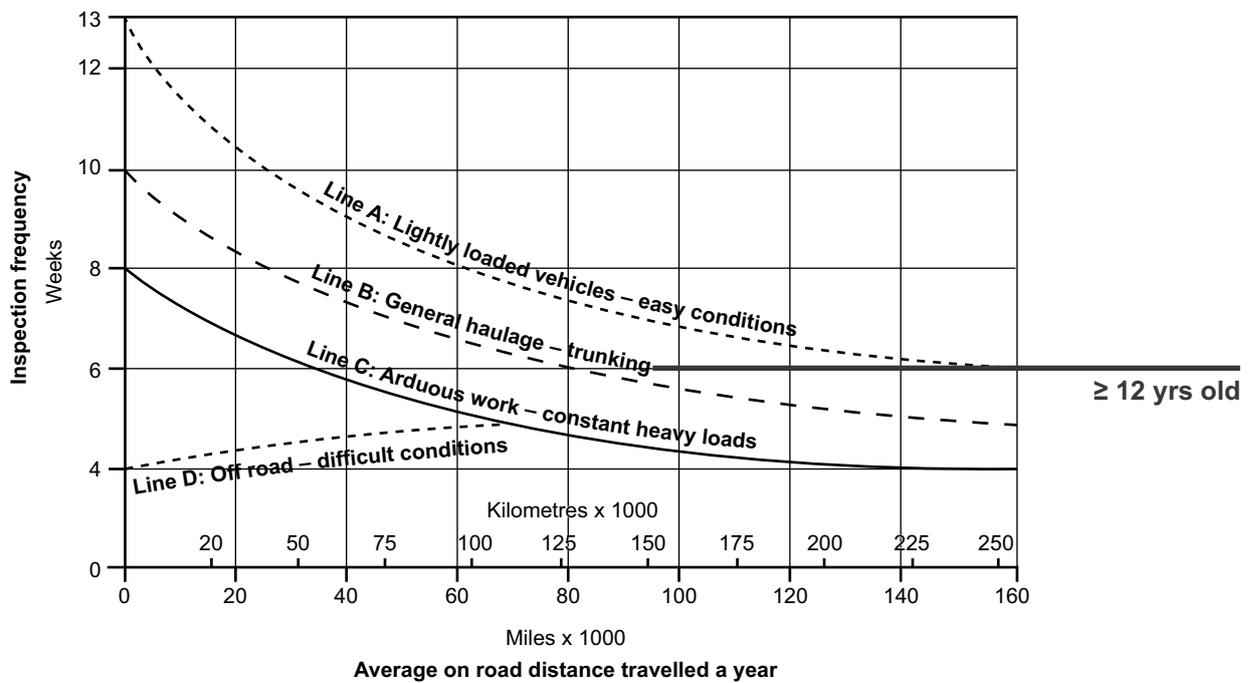


Fig. 4

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