

**Level 3 Certificate of Professional
Competence for Transport Managers
(Passenger Transport) Unit P2 Case Study**

05678

**Friday 9 March 2018
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

OCR Travel and Coach Hire is a public limited company that holds Standard International operator licences in the North West of England, North East of England and Scottish traffic areas. The CEO of OCR is Fred Stokes and you are a nominated transport manager on the operator licence held in the North East traffic area. You are responsible for day to day operations of the depot in Newcastle upon Tyne.

The North East traffic area operator licence authorises 90 vehicles at OCR's three operating centres. Sixty vehicles are allocated to the operating centre in Newcastle, twenty to Morpeth and ten to Berwick.

RSA Passenger Services Ltd (RSA)

Fred has been approached by his friend Jon Bewick, who is the owner of RSA. RSA has a Standard National operator licence in the North East traffic area authorising 25 vehicles at its leased operating centre in Sunderland. Jon is also the company's nominated transport manager. He is planning to retire and is hoping to sell RSA to Fred. If Fred does acquire RSA he will take over as RSA's transport manager.

RSA has one major contract, with Addison Ltd, a company which manufactures equipment for the oil industry. This contract provides for the transport of staff between Addison's head office in Sunderland and their three manufacturing sites in Glasgow, Inverness and Aberdeen.

Extract from RSA's most recent accounts

Fixed Assets	Value in £
Land	250,000
Vehicles	400,000
Fixtures and Fittings	75,000
Current Assets	
Stock	10,000
Debtors	50,000
Cash	2,000
Current Liabilities	
Bank overdraft	15,000
Creditors	27,000
Tax Due	10,000
<u>Trading and Profit and Loss account</u>	
Net profit pre tax	54,375

Fig. 1

Jon has provided Fred with details of the Addison contract operation, set out below.

Details of the route for the Addison contract

Stage	From	To	Distance (km)
1	RSA Depot	Addison Sunderland	20
2	Addison Sunderland	Addison Glasgow	276
3	Addison Glasgow	Addison Inverness	280
4	Addison Inverness	Addison Aberdeen	184
The service will be single manned			
Average speed throughout the contract run will be 80kph			

Fig. 2

- The shuttle runs twice a week for 48 weeks each year and uses one dedicated coach which completes no other work
- The first service each week will leave RSA Depot at 0800hrs on Monday and return from RSA Aberdeen at the earliest possible time
- The second service each week will depart from RSA Depot at 0800hrs on Thursday
- Fifteen minutes must be scheduled for driver checks and paper work before the start of journeys from RSA Depot and RSA Aberdeen
- Driver breaks may only be scheduled at Addison premises. These breaks must be taken at the latest possible time and for the shortest possible period
- One hour must be scheduled at Addison Sunderland to load passengers and their tools. The driver is required to assist with loading at Sunderland, but not required to assist at Glasgow and Inverness, where passengers will load their own equipment, while the driver and vehicle wait.
- Thirty minutes must be scheduled at the end of each day for cleaning the coach.
- There will be an overnight stop for the driver at Addison Aberdeen. This is provided free of charge
- The vehicle returns by the same route the next day

Costing information relating to the operation of the Addison contract

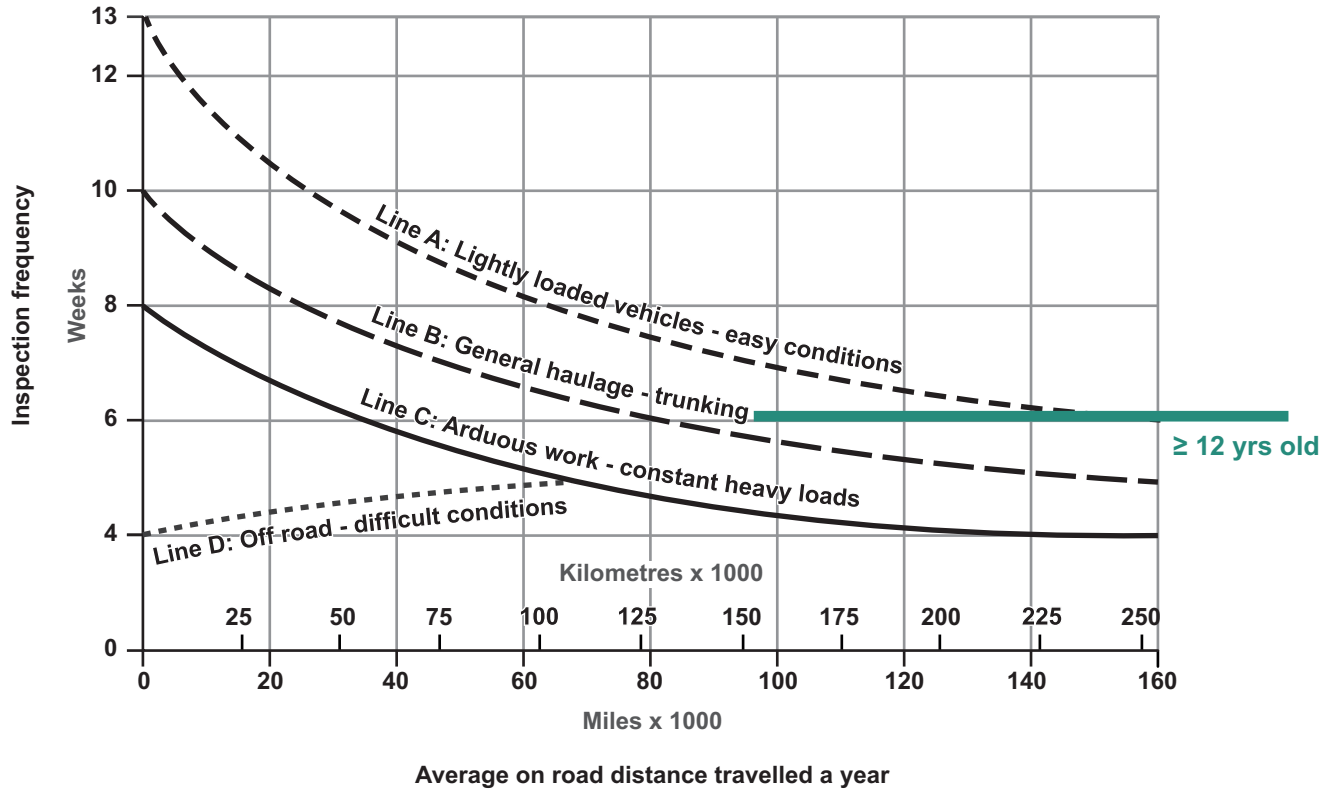
Vehicle purchase price including tyres	£150,000
Tyre cost (Total per vehicle)	£1,560
Vehicle Residual value after 8 years	£25,000
Standing costs (Excluding depreciation, per day)	£160
Maintenance cost (per km)	£0.02
Fuel consumption	4kpl
Average Tyre life	39,000km
Drivers wages per day	£120
Driver and vehicle days in use per annum	192
Contract price currently paid to RSA per annum	£168,000
Fuel price per litre	£1.20

Fig. 3**Other Issues**

Fred believes that it may be possible to reduce the annual cost of RSA's vehicle safety inspections. Jon has told Fred that RSA's current interval between safety inspections for the vehicle on the Addison contract is 4 weeks. The cost of each inspection is £175.00.

Annex 4

A guide to safety inspection intervals



Extract from the DVSA Guide to Maintaining Roadworthiness

Fig. 4

RSA drivers

RSA employs twenty full time drivers and ten part time relief drivers to cover weekends and holidays.

To aid the future planning of Driver CPC Periodic Training, drivers have been allocated to four groups (A to D) based on their current qualifications, shown below. All of these drivers hold current Driver Qualification Cards.

Group	Date Category B test passed	Date PSV vocational entitlement obtained	Periodic Training hours completed since initial CPC
A	prior to January 1997	prior to August 2008	21
B	after January 1997	prior to August 2008	14
C	after 1997	August 2016	14
D	after 1997	June 2017	0

Fig. 5

Two potential part-time drivers have completed an initial interview with RSA. They both obtained PSV vocational entitlement before 2008, have not worked as PSV drivers since 2012, and do not have Driver Qualification Cards.

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