

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

**05678**

**Friday 12 March 2021  
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

GP Coach Services Ltd (GPCS) has been operating from its only operating centre at Heathrow, in the London and South East Traffic Area, for only two years. GPCS holds a Standard International operator licence authorising 18 vehicles. The company is family owned, with the four directors Gustav, Penny, Markus, and Clare being the only shareholders. You are now the company's nominated Transport Manager, having been appointed two months ago following the resignation of the previous one.

GPCS operates 15 vehicles on a variety of work, including private hire, local services, contracts and coach holidays.

Clare, GPCS' managing director, is concerned that the company's revenue has fallen considerably recently, due to national events and the impact of Brexit on the coach holiday programme. She has asked you to review the company's current staffing level and consider possible redundancies while at the same time exploring ways to increase turnover by taking on new customers and additional work.

## Company policies

- Drivers are scheduled for a 15 minute walkaround check at the start of each day.
- Drivers are scheduled for a 15 minute period at the end of the day for completion of paperwork.
- Drivers are not allocated to specific vehicles.
- All service routes are single manned.
- GPCS adds 15% profit mark up to costs when preparing quotations and tenders.

## Future plans

In order to be able to plan required staffing levels and determine whether redundancies or recruitment might be necessary, dependent upon the outcome of current negotiations, you have compiled the following list of full-time staff.

Name	Role	Age	Years employed	Weekly wage	Driver licence categories
Raj	Office	38	6	£420	B
Simon	Office	26	4	£380	B
Mark	Workshop	55	12	£600	B, D1, D
Ben	Driver	41	14	£490	B, D1, D
Carol	Driver	28	3	£490	B, D1, D, DE
Derek	Team leader driver	47	18	£600	B, D1, D, DE
Mohammed	Driver	53	3	£490	B, D1, D
Rachel	Driver	22	1	£490	B, D1
Silas	Driver	60	10	£490	B, D1, D, DE
Vlad	Driver	35	7	£490	B, D1, D
Tom	Driver	26	3	£490	B, D1, D, DE

Fig. 1

### Future plans

You recently carried out a SWOT analysis, before commissioning an agency to carry out some market research in an attempt to identify potentially profitable new markets.

The agency's research has identified the following opportunities.

- A Heathrow based company is shortly due to relocate some of its operations to regional airports in Bristol, Exeter and Newquay and will require a company to transfer staff, passengers and goods between those locations.
- A locally based travel agent has decided that in view of the uncertainty of overseas travel, their agency will offer a limited number of UK coach holidays on a two-month trial basis. They will require a coach operator to provide a dedicated, liveried coach for these holidays.

In order to be able to present a costed and planned proposal to Clare and the other directors, you have considered these opportunities, spoken with the potential clients and prepared the following information.

### Heathrow to Bristol/Exeter/Newquay relocations

A weekday service between GPCS' depot at Heathrow and Exeter Airport via Bristol will be required, operating three times daily in each direction, with departure times as shown below. The service will operate using 38-seat coaches, each with a trailer.

Depart Heathrow	Depart Exeter
0830 hrs	0800 hrs
1300 hrs	1300 hrs
1800 hrs	1730 hrs

- Drivers on these services may only take breaks when legally required and no breaks are to be taken en route.
- The drivers must always return (in service) to the depot from which they started at the beginning of the day.
- The distance from Heathrow to Exeter via Bristol is 280km and coaches will average 70kph throughout the journey, including an allowance for boarding and alighting passengers at all points.
- The journey from Exeter back to Bristol and Heathrow will cover the same distance, at the same average speed.

There will also be a requirement for an operating centre on site at Exeter airport, from where an additional service to Newquay will be operated. You believe that it will be necessary to locate three or four vehicles there, to cover the Exeter to Newquay requirement and to provide support cover for the Heathrow to Exeter service. These vehicles will need to be maintained locally and you will need to recruit drivers from the Exeter area to be based there. Exeter is in The West of England Traffic Area.

### Travel agency requirement for UK Coach Holidays

The travel agent has proposed a programme of four different tours, each to be operated once every four weeks for an initial trial period of two months. You believe that GPCS should use one of its existing 49-seat touring coaches for this work, which will be liveried in the travel agency's colours. You have insisted that this coach must be scheduled to be at the Heathrow depot for two consecutive days during every four week cycle for a deep clean of its interior and to carry out a safety inspection.

The tours to be operated are:

- 4 days to Stonehenge, Salisbury and The Jurassic Coast, always departing on a Tuesday
- 6 days to Oxford, Stratford, Coventry and The Cotswolds, departing any day
- 6 days to Devon and Cornwall, departing any day
- 10 days to Edinburgh and The Scottish Highlands, always departing on a Sunday.

You intend to be fully prepared with all the facts when you present your proposals to the directors and have compiled the following operating information.

	<b>38-seat coach</b>	<b>49-seat touring coach</b>
Purchase price (excluding tyres)	£195,000	£250,000
Expected residual value at 10 years old	£45,000	£65,000
Annual usage	250 days	260 days
Annual standing costs (excluding depreciation)	£35,000	£45,000
Tyre cost per set	£1,800	£2,800
Expected tyre life	45,000km	48,000km
Maintenance cost per km	£0.25	£0.35
Fuel consumption	4 kpl	4 kpl
Driver cost per day per driver	£120	£120
Fuel cost per litre	£1.10	£1.10

**Fig. 2**

	<b>950kg PMW trailer</b>
Purchase price (excluding tyres)	£2,800
Annual usage	250 days
Expected residual value at 15 years old	£250
Annual standing cost	£2,000
Running cost per km	£0.07
Maintenance cost per km	£0.05

**Fig. 3**

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