

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

05689

**Friday 11 September 2020
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 Transport Limited (OCR) operates 19 rigid goods vehicles from its only operating centre in Netherton, in the West Midlands. The company holds a Standard National operator licence with authorisation for 20 vehicles and no trailers.

You have recently passed the CPC exams and you are employed by OCR as a transport manager. An application to add you as a nominated transport manager for OCR has been submitted to the Office of the Traffic Commissioner.

OCR's current organisation chart is shown below:

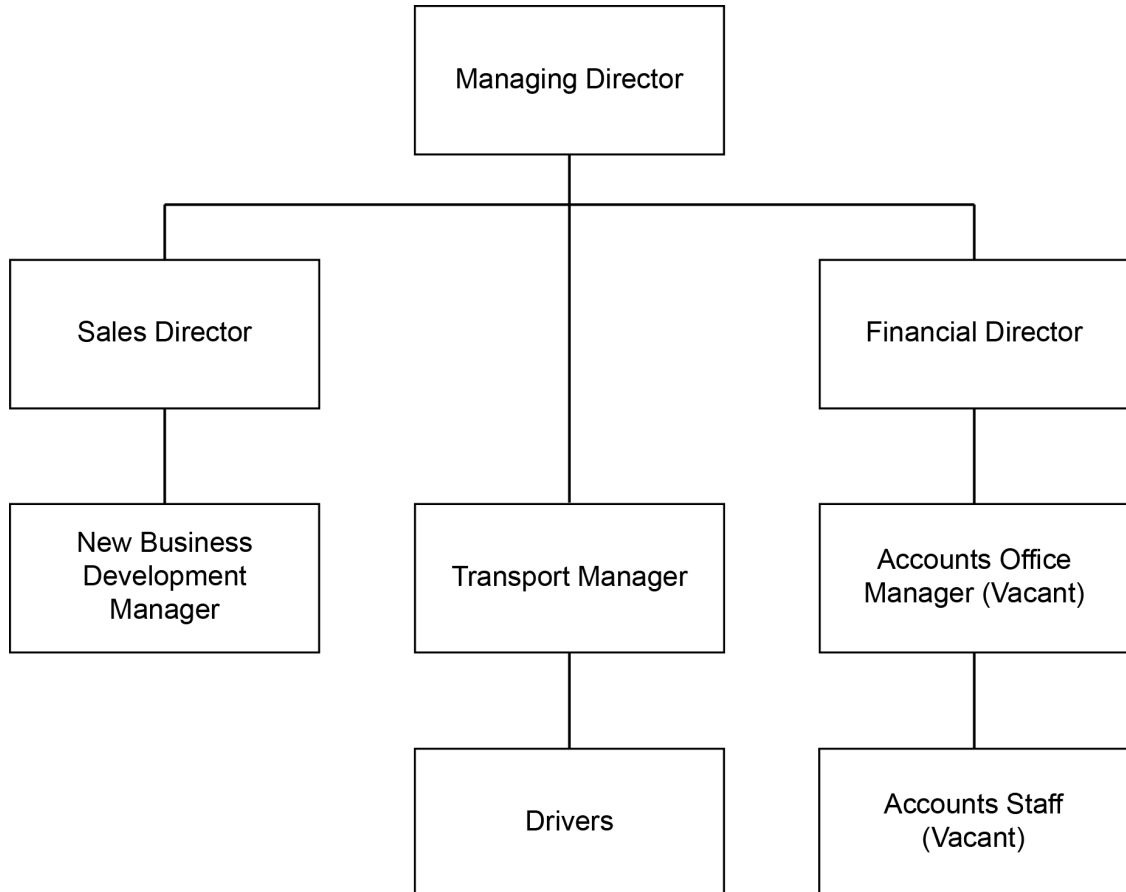


Fig. 1

OCR's Managing Director has told you that he has bought all the shares in another haulage company, ABEC Haulage Ltd (ABEC). He intends to combine ABEC's operations with OCR's as much as possible, eliminating any duplicated jobs. ABEC's current organisation chart is shown below:

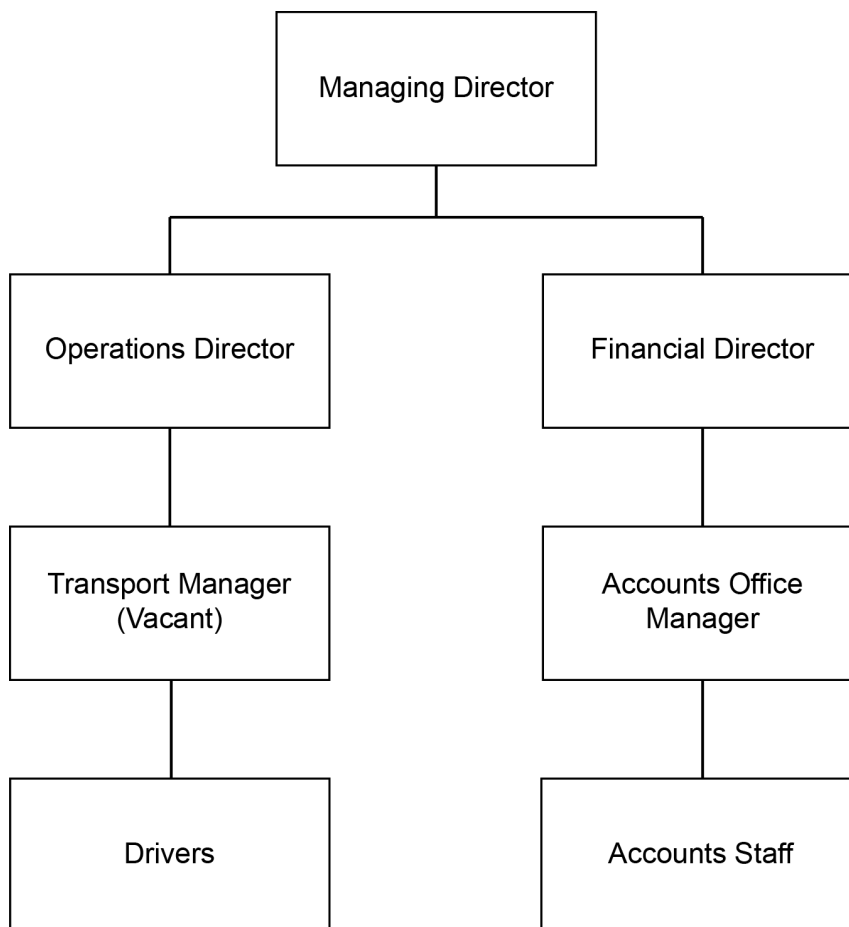


Fig. 2

ABEC Haulage Ltd

ABEC's only operating centre is in Dudley, West Midlands. The company holds a Standard International operator licence, authorising four vehicles and one trailer. It operates two rigid goods vehicles and one tractor unit/semi-trailer combination.

The company has lost contracts over the past few years. Following a DVSA visit which was marked as unsatisfactory due to 'systemic breaches of drivers hours rules, caused mainly by poor planning and illegal schedules', ABEC's Transport Manager resigned.

Paris deliveries

ABEC's largest customer is a French haulier, for whom ABEC's vehicles collect goods from manufacturers in the UK and deliver them to a distribution centre in Paris, France.

You have the driver schedule that the former transport manager prepared for a single-manned trip to Paris, which used the 11.00hrs ferry to France, set out below. The vehicle will have been pre-loaded. It is not fitted with any sleeping arrangements.

| Start time UTC | Finish time UTC | Activity | Tachograph mode |
|---------------------------|----------------------------|---|------------------------|
| 05.00 | 05.15 | Walkround check | Other work |
| 05.15 | 09.45 | Drive from Dudley to Dover (360kms) | Driving |
| 09.45 | 10.00 | Check in | Driving |
| 10.00 | 10.45 | Break | Break |
| 10.45 | 11.00 | Embark | Driving |
| 11.00 | 12.30 | Ferry crossing | Break |
| 12.30 | 12.45 | Disembark | Driving |
| 12.45 | 16.30 | Drive Calais to Paris (300km) | Driving |
| 16.30 | 18.30 | Unload at Paris | Other work |
| 18.30 | 19.00 | Drive to services (40km) | Driving |
| 19.00 | 22.00 | First period of split daily rest | Rest |
| 22.00 | 22.15 | Walkround check | Other work |
| 22.15 | 02.00 | Drive to Calais (300km) | Driving |
| 02.00 | 02.30 | Check in & embark | Driving |
| 02.30 | 04.00 | Ferry crossing | Rest |
| 04.00 | 04.15 | Interrupt rest to disembark | Driving |
| 04.15 | 13.45 | Second part of split daily rest | Rest |
| 13.45 | 14.00 | Walkround check | Other work |
| 14.00 | 18.30 | Drive back to Dudley (over same route as outward journey) | Driving |
| 18.30 | 18.45 | Complete paperwork | Other Work |
| 18.45 | | Start Daily Rest | |

Fig. 3

Note: There are no cabins or dormitories available at the ports or on the ferries to and from France.

ABEC's policy states that driver schedules must:

- Provide for all break and rest periods to be taken as late as legally possible and be kept as short as legally possible.
- Allow 15 minutes to check in, 15 minutes to embark and 15 minutes to disembark ferries, all to be scheduled as driving time.
- Allow 15 minutes for driver walkround checks at the beginning of each day (one check per day).
- Never use the provision to allow drivers to extend driving beyond 9 hours in any day.
- Always allow for drivers to take a Regular Daily Rest.
- Use an average speed of 80kph.
- Allow 15 minutes (other work) on return to Dudley for paperwork.

Upcoming changes

You have been told that ABEC will change its company name from Monday, to OCR-ABEC Ltd. OCR's Managing Director will be added as a director of OCR-ABEC Ltd. Applications to make these changes have already been submitted to Companies House.

OCR's Managing Director intends to fully incorporate OCR-ABEC Ltd's activities into OCR's operation on 1 November 2020. The actions planned for that date are as follows.

- You are to be responsible for maintaining continuous and effective control of the management of transport operations at the Dudley operating centre. You will report to the Operations Director.
- The vehicles operated from Dudley will continue to do so, with no additions. They will be maintained alongside OCR's existing fleet.
- OCR will recruit a Transport Supervisor to assist you, with all drivers reporting to the new person.
- OCR-ABEC Ltd's Managing Director is to become OCR's Operations Director (duties currently covered by OCR's Managing Director).
- OCR-ABEC Ltd's Operations Director and Financial Director are to be made redundant.
- All other OCR-ABEC Ltd staff will be transferred via TUPE to equivalent roles within OCR.
- OCR-ABEC Ltd to be wound up.

Costing information

The following information has been given to you to enable you to calculate the cost of the Paris deliveries.

| | |
|---|-------------------|
| Tractor Unit | |
| Purchase price, excluding tyres | £93,500 |
| Expected residual value after 5 years | £45,000 |
| Driver's wages (per day, per driver) | £180 |
| General standing costs (VED, Insurance, etc.) | £6,900 per year |
| Cost per tyre | £350 |
| Average tyre life | 50,000 km |
| Number of tyres | 8 |
| Fuel costs | £1.10 per litre |
| Fuel Consumption | 5 km per litre |
| Maintenance costs | £0.17 per km |
| Anticipated utilisation | 230 days per year |

| | |
|---------------------------------|-------------------|
| Semi-trailer | |
| Purchase price, excluding tyres | £33,000 |
| Residual value after 10 years | £5,000 |
| Cost per tyre | £250 |
| Average tyre life | 50,000 km |
| Number of tyres | 10 |
| Maintenance costs | £0.07 per km |
| Anticipated utilisation | 230 days per year |

| | |
|------------------------|---------------|
| Ferry fare | €300 each way |
| Currency exchange rate | £1= €1.11 |

Fig. 4

Walkround checks

You have identified a number of issues at OCR, regarding drivers' vehicle walkround checks. Having investigated these issues you have found

1. that some drivers do not record an odometer reading on daily check sheets.
2. that some drivers provide insufficient details of defects. For example, defects have been detailed on reports such as 'broken rear light', without indicating whether there was a roadworthiness issue or only minor damage, such as a hairline crack not emitting white light.
3. examples of tachograph reports showing no 'Other Work' before driving. Some drivers have told you they put their driver cards into the tachograph only after completing their vehicle checks.
4. some vehicle periodic inspection reports that show defects which should have been reported by drivers.

Sales and Marketing

Because OCR is about to obtain its first articulated vehicle, the Managing Director has tasked the Sales Director with increasing customer demand for traction work. There are some companies on a local industrial estate who appear to have semi-trailers without operating any vehicles. The Sales Director has identified a networking breakfast which is well attended by directors of these companies. She has asked you to attend one of these breakfasts with her, so that you can identify prospective customers. She will then obtain their contact details and follow up the leads. She has also asked you to look back through operational records to see how much traction-only or articulated vehicle work has been subcontracted out over the past year and to provide a list of customers who may have this requirement, so that she may contact them in order to ask if they may have further requirements.

International journeys

OCR will be taking over regular international journeys that were previously operated by ABEC. These include deliveries to and collections from Turkey, travelling through a number of EU states. The loads for these journeys are carried within sealed vehicles.

OCR

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