

**OXFORD CAMBRIDGE AND RSA EXAMINATIONS
LEVEL 3 CERTIFICATES OF PROFESSIONAL COMPETENCE**

**UNIT 4 – MANAGING NATIONAL ROAD HAULAGE
OPERATIONS**

SAMPLE

SAMPLE SESSION 12.45 pm – 2.45 pm 2 hours

CASE STUDY SCENARIO

Scenario

For the last five years you were employed as a transport manager by a theatrical production company. You have now left that employment and are in the process of setting up your own business hiring out stage lighting and other stage equipment. The initial funds required to start up the business are coming from your own savings. You do not intend to enter into a partnership.

You have decided that you will need to buy a lorry in order to deliver equipment to your hire customers and to collect it at the end of the hire period. You will need to be able to deliver up to 10 tonnes of equipment in each consignment. The equipment is packed in large aluminium flight cases which are fitted with wheels but which cannot be lifted by a fork lift truck. Each flight case can weigh up to one tonne. You intend to employ a full time driver for your vehicle. Since you intend to seek customers in theatres and on film locations throughout the country, it may be necessary for the driver to spend nights out.

You have decided to contract out the maintenance work for the vehicle that you will use for the hire business and you recognise that you need to produce a maintenance plan.

Separately from the hiring activity, you have been approached by a professional friend who has asked if you would be interested in providing the transport for a three venue tour of a play that is about to finish its run in the west end of London. This could lead to regular transport work. To transport the scenery and stage equipment you would need to hire an articulated vehicle with a 40 foot long box trailer and a driver. Your potential client has given you a detailed itinerary for the tour as follows:

(the driver is required to assist with all loading and unloading activities)

| | | |
|-----------|-------------------------------------|------|
| Sunday | Start loading from West End theatre | 2230 |
| Monday | Finish loading | 0230 |
| Monday | Commence unloading at Birmingham | 1200 |
| Monday | Finish unloading | 1315 |
| Monday | Commence loading, Birmingham | 2230 |
| Tuesday | Finish loading, Birmingham | 0130 |
| Tuesday | Start unloading at Liverpool | 1200 |
| Tuesday | Finish unloading | 1430 |
| Tuesday | Start loading, Liverpool | 2230 |
| Wednesday | Finish loading | 0200 |
| Wednesday | Commence unloading at Manchester | 1200 |
| Wednesday | Finish unloading | 1330 |
| Wednesday | Commence loading, Manchester | 2230 |
| Thursday | Finish loading | 0130 |
| Thursday | Return to base | |

The driver will arrive at each venue as early as legally possible and will then rest until the scheduled time of unloading. He will take any necessary statutory breaks as late as legally possible. The vehicle has a sleeper cab.

You calculate the following distances between depots (in miles):

| | |
|----------------------------|-----|
| Base to west end of London | 45 |
| London to Birmingham | 135 |
| Birmingham to Liverpool | 90 |
| Liverpool to Manchester | 45 |
| Manchester to base | 90 |

Additional information in respect of the tour:

Average speed 45 mph
The driver will start and finish at your depot.

Allow 15 minutes for the driver to check his vehicle before he leaves your base at the start of the week and immediately before leaving each venue (not required when leaving the London venue).

You calculate the following costs for the tour:

| | |
|--------------------------|------------------------------------------------------|
| Hire of vehicle: | £200 per day |
| Hire of agency driver: | £15 per working hour |
| Fuel: | 85p per litre (vehicle averages 1.5 miles per litre) |
| Driver incidental costs: | £25 per day |
| Fixed costs of business | £50 per day |

Your required profit mark-up is 20%.

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CASE STUDY

SAMPLE

SAMPLE SESSION

| | | | |
|----------------|--|---|--|
| 1 | | 5 | |
| 2 | | 6 | |
| 3 | | 7 | |
| 4 | | 8 | |
| TOTAL = | | | |

TIME 2 hours 12.45 pm – 2.45 pm

INSTRUCTIONS TO CANDIDATES

Fill in all the boxes below. Use BLOCK LETTERS

CENTRE DETAILS

| | |
|----------------------|--------------------|
| CENTRE NUMBER | CENTRE NAME |
| | |

COMPUTER

S A M

Northern Ireland, please tick this box

CANDIDATE DETAILS

| SURNAME or FAMILY NAME | FIRST NAME | INITIALS OF OTHER FORENAMES | | CENTRE CANDIDATE NUMBER |
|-------------------------------|-------------------|------------------------------------|--|--------------------------------|
| | | | | |

Check and amend, if necessary, your details printed on the desk card.

Answer **ALL** questions.

Write your answers in the spaces provided on the question paper. If you need any extra space to continue your answers, additional paper is provided at the back of this booklet (pages 8 - 11). Ask the invigilator if you need further additional sheets of paper. If you need to use additional paper, the question number **MUST** be inserted beside each answer.

Do **all** calculations and rough work in this booklet. Cross out any work you do not wish to have marked.

INFORMATION FOR CANDIDATES

The number of marks is given in brackets at the end of each question or part question.

You may use diagrams wherever they will help to answer a question.

You may use a non-programmable calculator.

You may use a dictionary.

For candidates taking the examination in Northern Ireland, the appropriate term is marked in brackets. This should be ignored by all other candidates.

2. (a) Identify the minimum level of operator's licence required for the hire business and identify and briefly explain three criteria that must be met in order to obtain it. (Do not include undertakings in your answer).

(7 marks)

- (b) State what type of licence would be needed if the tour work were to be undertaken? State **THREE** additional criteria that would have to be met in order to obtain this type of licence.

(4 marks)

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SAMPLE

MARKSCHEME

1. Drivers Hours Syllabus Ref: 2.1.2

For the proposed three venue tour, produce a detailed schedule for the driver in tabulated form showing driving, other work and rest times (including breaks where necessary).

Comply with all requirements under both the drivers' hours regulation and the working time directive. Also show the total hours driven and the total hours worked in the period.

Schedule for proposed tour

| Time | Activity | Drive | Other work | Rest |
|-------------|---------------------|---------------|---------------|---------------|
| 2115-2130 * | Check vehicle | | 15 mins | |
| 2130-2230 | Drive to London | 1 hr | | |
| 2230-0230 | Load | | 4 hrs | |
| 0230-0315 * | Drive | 45 mins | | |
| 0315-0345 * | WTD break | | | 30 mins |
| 0345-0600 * | Drive to Birmingham | 2 hrs 15 mins | | |
| 0600-1200 | Rest | | | 6 hrs |
| 1200-1315 * | Unload | | 1 hr 15 mins | |
| 1315-2230 | Rest | | | 9 hrs 15 mins |
| 2230-0130 | Load | | 3 hrs | |
| 0130-0145 * | Check vehicle | | 15 mins | |
| 0145-0345 * | Drive to Liverpool | 2 hrs | | |
| 0345-1200 | Rest | | | 8 hrs 15 mins |
| 1200-1430 * | Unload | | 2 hrs 30 mins | |
| 1430-2230 | Rest | | | 8 hrs |
| 2230-0200 | Load | | 3 hrs 30 mins | |
| 0200-0215 | Check vehicle | | 15 mins | |
| 0215-0315 * | Drive to Manchester | 1 hr | | |
| 0315-1200 | Rest | | | 8 hrs 45 mins |
| 1200-1330 * | Unload | | 1 hr 30 mins | |
| 1330-2230 | Rest | | | 9 hrs |
| 2230-0130 | Load | | 3 hrs | |
| 0130-0145 | Check vehicle | | 15 mins | |
| 0145-0345 * | Drive to base | 2 hrs | | |

Total driving time = 9 hrs*

Other work time = 19 hrs 45 mins

Total working time = 28 hrs 45 mins*

Note for examiners: To meet the customer's requirements, the driver will need to use the split rest provision on each day.

MARKS

1 mark where indicated *
 Tabulated
 Logical headings and layout

13 marks
 1 mark
 1 mark

Total marks = 15 marks

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2. Operator's Licence - Syllabus Ref: 8.1

- (a) **Identify the minimum level of operator's licence required for the hire business and identify and briefly explain three criteria that must be met in order to obtain it. (Do not include undertakings in your answer)**
- (b) **State what type of licence would be needed if the tour work were to be undertaken. State the three ADDITIONAL criteria that would have to be met in order to obtain this type of licence.**

- (a) Restricted licence 1 mark

Fit and proper person - no significant transport related convictions in the last five years

Suitable maintenance arrangements – to ensure safe operation of vehicles
 Suitable operating centre – adequate for the number of vehicles to be authorised/acceptable environmentally

Sufficient finance - to ensure that sufficient funds are available to maintain the authorised vehicles

1 mark for each criteria and one mark for each explanation to a maximum of six.
 Accept first three criteria only.

- (b) Standard national licence 1 mark

Good repute 1 mark
 Professional competence 1 mark
 Sufficient finance to set up and run the business 1 mark

1 mark for each item

Total marks = 11 marks

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3. Vehicle Costing - Syllabus Ref: 3.1.3

Calculate the costs for the proposed tour and the proposed charge out price to the customer. Treat the tour as lasting for four days in respect of calculating costs and charge out price. Show all your calculations.

| | | |
|-----------------------------------|----------|----------|
| Vehicle hire: £200 x 4 days | £800 | 1 mark |
| Hire of driver: 28.75 hours x £15 | £431.25 | 1 mark |
| Fuel: 405 miles/1.5 mpl x £0.85 | £229.50 | 1 mark |
| Driver incidental costs: £25 x 4 | £100 | 1 mark |
| Fixed costs: £50 x 4 | £200 | 1 mark |
| | | |
| Total costs | £1760.75 | 1 mark |
| 20% profit | £352.19 | 1 mark * |
| | | |
| Charge out price | £2112.90 | 1 mark * |
| | | |
| Fuel computation shown clearly | | 1 mark |
| Clear and logical layout | | 1 mark |

*Note to examiners: Do not penalise for follow through errors.

Total marks = 10 marks

4. Maintenance Plans - Syllabus Ref: 12.1.1

In respect of the maintenance plan to which reference is made in the scenario, indicate five types of maintenance related activity that you would include in the plan and the suggested intervals at which each activity would take place.

| | |
|--------------------------------------|------------------------------------------------------------------|
| Walk-round checks | Daily |
| Safety inspections | 6 weekly/5000 km or other interval |
| Manufacturer's recommended servicing | Manufacturers recommended Intervals or credible actual interval |
| VOSA test | Annually |
| Tachograph inspection | Two yearly |
| Tachograph re-calibration | Six yearly |
| | Loading equipment (tail lift) m'tce |
| | Manufacturer's recommended intervals or credible actual interval |

Defect reporting as and when defects occur/daily if nil reports required

1 mark per activity and 1 mark per associated interval to a maximum of 10 marks. Allow first five activities only

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5. Business Requirements - Syllabus Ref: 1.1.2

As you have decided not to enter into a partnership, identify two other types of business structure under which you could operate. For each of the two types, set out four potential advantages that you will take into consideration when making your choice.

| | |
|------------------------------------------------------------------|-------------|
| Sole trader | 1 mark |
| Minimum formalities to set up and run | 1 mark |
| No business set up fees | 1 mark |
| Business performance remains confidential (no published reports) | 1 mark |
| No one else need be involved in management of business | 1 mark |
| Other credible advantages | 1 mark each |
| Take first four advantages given to a maximum of 4 marks | |
| Private limited company | 1 mark |
| Limited liability | 1 mark |
| Credibility with suppliers/customers | 1 mark |
| Possible taxation advantages | 1 mark |
| Possible to sell shares to friends and relations | 1 mark |
| Other credible advantages | 1 mark each |

TAKE FIRST FOUR ADVANTAGES GIVEN TO A MAXIMUM OF 4 MARKS

6. Vehicles and Components - Syllabus Ref: 11.1

Produce a specification for the vehicle that you will purchase for the hire business. Set out a total of five key requirements in relation to the type and size of vehicle and its fittings and equipment. For each requirement, give reasons for your choice. Consider only matters relating to the efficient operation of the vehicle for its intended purpose.

Box body (accept curtainsider/tautliner) – most appropriate for the carriage of flight cases
 Tail lift – flight cases weigh up to one tonne but cannot be lifted by fork lift
 18 tonnes gvw (accept any weight in the range 16-18 tonnes) – payload required is 10 tonnes
 Two axle rigid – most economical vehicle for intended payload
 Sleeper cab – drivers may be required to spend nights out
 Lashing points for flight cases – in order to secure flight cases safely

Other credible items admitted by the examiner.

1 mark for each item and 1 mark for each associated reason to a maximum of 10 marks. Accept first five items only. Other credible items admitted by the examiner.

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7. People Management- Syllabus Ref: 6.1.1

You intend to employ a full time driver for the hire business and you are preparing for the employment interviews that you will hold. Produce a list of seven headings for items that will be discussed with the candidates at interviews. For each item, indicate why it is important.

Driving entitlement – must have correct category (C) to legally drive vehicle

Driving record – you may be concerned if a potential driver has a poor record of accidents/convictions or has a significant number of in-date penalty points on his licence

Familiarity with drivers' hours and tachograph requirements – would ensure legal compliance/minimise need for training

Experience – several years on broadly similar work – likely to need a minimum of supervision/training

Age – you may have difficulty obtaining insurance for young drivers at an economic cost

Health of older drivers

Experience of dealing with customers – driver will be your ambassador/right approach and attitude to customers is important

Willingness to spend nights out – the job may require this from time to time

Basic wages – need to attract and retain right calibre of driver/need to be in line with or better than average paid locally

Required working hours/overtime availability and rates

Holidays – need to be attractive but within the needs of the business

Prospects – indicate expectations for growth in the business

Fringe benefits – whether there are any fringe benefits eg medical insurance, pensions

Availability – when is applicant able to start

Hobbies – to ensure no serious conflicts are likely to arise with work requirements

Medical fitness – to ensure candidate is able to carry out the work required including manual handling requirements

Other credible items admitted by the examiner.

Score first 7 items only – 1 mark for item and 1 mark for reason.

8. Principles of Insurance - Syllabus Ref: 7.1, 7.2

You are considering types of insurance which may be relevant to your business.

(a) Indicate two key principles that underlies all insurance policies

A policy of indemnity/not possible to profit from an insurance claim
 Utmost good faith/must disclose anything that might affect premium
 Converts an unknown risk into a known cost

1 mark for each item to a maximum of 2

(b) Other than insurance relating to fire and flood, list four types of non-compulsory insurance that you may consider obtaining in respect of the hire business and, for each type, indicate the main risks that would be covered.

Public liability – covers claims for loss, injury and damage to the public

Motor insurance in excess of the legal minimum (accept third party fire and theft or comprehensive) – covers additional risks including losses resulting from fire or from the theft of insured vehicle (TPFT) and damage to insured vehicle (comprehensive)

Goods in transit – to cover loss of or damage to goods whilst being transported (do not accept RHA/FTA/CMR risks insurance as the hire business is an own account operation)

Buildings – to cover damage to buildings

Theft/burglary – to cover the risks stated

Consequential loss/business interruption – to cover losses over and above those directly relating to an event including loss of profits

Professional negligence – covers claims in respect of negligence

Private medical cover for staff – may help to ensure that staff are able to return to work as quickly as possible/a staff benefit that can assist in recruiting/retaining staff

1 mark for each type of insurance and 1 mark for each associated explanation of cover.