

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

05678

**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

OCR Luxury Travel (OCR) is a family business providing passenger travel in the south west of Scotland. It operates as a partnership and holds a Standard National operator licence in the Scottish traffic area. The licence authorises 20 vehicles at OCR's depot in Dumfries. The depot is wholly owned by OCR and has the capacity to accommodate 25 large coaches. The depot has a secure perimeter fence with CCTV coverage of the refuelling point and the main gate.

The partners currently involved in the business are William Stephens (father and CPC holder), Sara Stephens (mother and responsible for finance), Andre Stephens (son and responsible for private hire and service operations) and Martine Stephens (daughter and responsible for vehicle maintenance and excursions).

William and Sara are considering handing over control of OCR to the two children, and, although they will have no further involvement in the day to day running of the business, they wish to remain as partners. You are a family friend and hold a certificate of professional competence which you obtained in June 2012. The family has offered you the role of nominated transport manager and William has suggested that you also become a partner.

You have accepted the offered role of nominated transport manager but you are reluctant to become a partner. You have suggested that the family form a limited company into which you might consider investing money.

OCR's current fleet

- 5 x 74-seat double deck service buses.
- 6 x 72-seat single deck coaches used for schools.
- 6 x 48-seat standard coaches used for private hire and excursions.
- 3 x 16-seat executive coaches used for corporate and exclusive private hire.

Current work

- Local services in Dumfries, Annan and Castle Douglas using the 74-seat double deck service buses.
- Six school contracts for Dumfries and Galloway Council using the 72-seat single deck coaches.
- Private hire and local day excursions using the 48-seat standard coaches.
- Airport transfers from Glasgow and Prestwick airports using the 16-seat executive coaches.
- Private hire work for a tour operator, Celtic Heritage Experience (CHE). This work includes airport transfers and transport to sites of cultural interest for groups of adult students studying Celtic heritage. The volume of work done for CHE has grown steadily and is now a significant source of income for OCR, so the work is generally allocated to senior driver, Eddie Longshanks.

Proposed future work

Celtic Heritage Experience

CHE have decided to run a closed door tour of the three Celtic centres of Britain and Ireland and have asked OCR to provide transport for the whole tour. OCR will use one of their 16-seat executive coaches, driven by Eddie Longshanks throughout the tour, single-manned.

The proposed daily programme is shown in Fig.1 below.

Day 1	Transfer from Glasgow International Airport to the group's hotel on the banks of Loch Lomond. The group will spend three nights based at Loch Lomond
Days 2 and 3	Tours of the area
Day 4*	Transfer to Killarney in the Republic of Ireland via ferry from Stranraer to Belfast
Days 5 and 6	Tours of area around Killarney
Day 7	Transfer to Dublin
Day 8	Dublin tour
Day 9	Transfer to Cardiff via ferry from Rosslare to Fishguard
Days 10 and 11	Local tours
Day 12	Transfer group to Cardiff airport and coach to return to Dumfries

Fig.1

***Additional information for travel on day four**

- Time required for Eddie to complete his pre-use checks and loading of passengers and luggage at the Loch Lomond hotel: 30 minutes.
- Distance from the hotel to the ferry port at Stranraer: 110.5km at an average speed of 65kph.
- Time required for embarkation: 30 minutes (counted as driving).
- Ferry departs: 10.30hrs.
- Ferry journey time Stranraer to Belfast: 2 hours 5 minutes (counted as break).
- Time required for disembarkation at Belfast: 15 minutes (counted as driving).
- CHE require a stop at Cashel on the route between Belfast and Killarney. This stop is to be as short as possible to allow for the earliest possible arrival in Killarney.
- Distance from Belfast to Cashel: 340km at an average speed of 80kph.
- Distance from Cashel to Killarney: 140km at an average speed of 80kph.
- Eddie must take all break and rest periods at the latest possible time, and for the shortest possible period. This rule does not apply when Eddie is on board a ferry.

Inter-urban service

OCR intend to provide a service on Saturdays and Sundays connecting Dumfries, Stranraer, Ayr and Glasgow starting on the 18th November 2017, details of which are set out in Fig.2. This work will require the acquisition of a new 50-seat inter-urban coach. The service will operate one round trip each day with one driver.

From	To	Distance(km)
Dumfries	Stranraer	110
Stranraer	Ayr	90
Ayr	Glasgow	65
Glasgow	Ayr	65
Ayr	Stranraer	90
Stranraer	Dumfries	110

Fig.2Extended tours

Martine believes there is a potential opportunity for OCR to develop a range of inclusive tours and has already developed a number of tour programmes. Martine has begun to prepare the tour brochure, starting with 'The Highland Experience'. The information Martine has included so far is set out below.

- Transport by executive coach.
- Half board in 3 star hotels at Fort William (2 nights) and Portree (3 nights).
- Tour price - £350.00 per person based on twin share, single supplement £50.00.

Information for costing purposes

Item	48-seat standard coach	New 50-seat inter-urban coach	16-seat executive coach
Purchase price excluding tyres	£175,000.00	£148,700.00	£38,000.00
Depreciation - reducing balance method at an annual rate of	10%	15%	12.5%
Vehicle Excise Duty, insurance and administrative costs, per annum	£8,240.05	£7,069.10	£3,026.60
Driver cost, per day	£110.00	£110.00	£120.00
Tyre cost, per vehicle	£1,300.00	£1,300.00	£700.00
Expected tyre life	60,000km	50,000km	35,000km
Maintenance per km	£0.05	£0.06	£0.05
Fuel consumption	5kpl	4kpl	6kpl
Fuel cost, per litre	£1.12	£1.12	£1.12
Vehicle days in use, per annum	245	223	250
Annual mileage, per vehicle	100,000km	235,000km	50,000km
Cost of each periodic safety inspection	£110.00	£110.00	£110.00

Fig.3

Suspected fuel thefts

Following a review of the CCTV footage of the re-fuelling point, there appears to be evidence that driver Fred Knapstone has taken diesel for personal use. Fred joined the company in March 2013 and has a previous record of good conduct.

Periodic safety inspections

All vehicles currently undergo periodic inspections at intervals of 5 weeks. Martine believes that OCR's maintenance costs could be reduced by increasing the interval between periodic safety inspections.

Guide to safety inspection intervals from the DVSA publication 'A Guide to Maintaining Roadworthiness'.

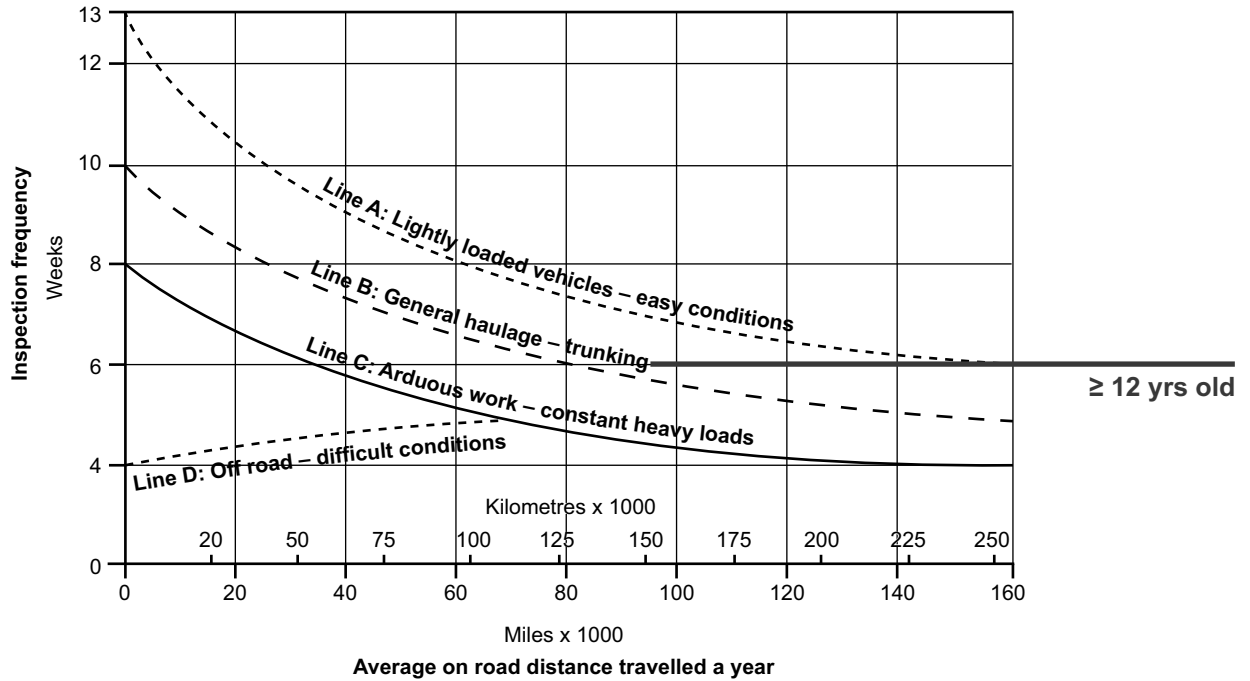


Fig.4

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