

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

05689

**Friday 7 December 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

Optimised Courier Routes plc (OCR) collects and delivers letters and parcels throughout the UK.

It collects from and delivers to customers from its ten depots (detailed in Fig.1 below).

OCR operates seven trunking routes to carry letters and parcels between its depots. The vehicles carry items from the company's own customers and items from local courier operators, who use OCR's national distribution network for a fee. These routes are detailed in Fig. 2 below.

OCR holds a number of Standard National operator licences. It employs a qualified transport manager at each depot, where required, except at its Leeds depot, where it contracts with an external transport manager.

All of the company's vehicles are contract hired for 3 years under full maintenance agreements.

OCR's depots and vehicle fleets

Depot	Traffic area	40,000kg GVW articulated combinations (number of vehicles)	18,000kg GVW rigid lorries (number of vehicles)	7,500kg GVW rigid lorries (number of vehicles)	3,500kg GVW vans (number of vehicles)
Birmingham	West Midlands	-	-	-	15
Bristol	West	-	-	1	12
Cardiff	Wales	-	-	-	15
Dover	London and the South East	-	-	1	8
Edinburgh	Scotland	-	-	-	10
Glasgow	Scotland	-	-	2	10
Leeds	North East	-	-	3	8
Liverpool	North West	-	-	1	12
London	London and the South East	3	2	8	20
Norwich	East	-	-	-	6
Average fuel consumption for each vehicle type		8 km/l	10 km/l	12 km/l	14 km/l

Fig. 1

Operator licence review

OCR's operator licences are all due for a five-year review in the next six months. The company is checking that it complies with each licence, with particular emphasis on meeting the requirements for Financial Standing, Professional Competence and transferring vehicles between depots.

OCR's trunking routes

Route	Vehicle used (GVW)	Start & Finish depot	Deliver & collect at	Number of drivers	Total distance
1	40,000kg	London	Leeds Edinburgh Glasgow	2	1,395km
2	40,000kg	London	Birmingham Liverpool Birmingham	1	660km
3	18,000kg	London	Bristol London Dover	1	630km
4	18,000kg	London	Norwich	1	375km
5	7,500kg	Leeds	Birmingham	1	375km
6	7,500kg	Glasgow	Liverpool Glasgow Edinburgh	1	855km
7	7,500kg	Bristol	Cardiff	1	140km

Fig. 2

- All routes must be scheduled to arrive back at the starting depot at 0600hrs.
- Drivers must be scheduled 15 minutes of Other Work to complete a vehicle check before loading at the start depot.
- Drivers must be scheduled 15 minutes of Other Work for loading at the start point and 15 minutes for unloading at the finish point.
- Drivers must be scheduled 30 minute of Other Work for unloading and loading at each delivery/collection point en route.
- Schedules must assume an average speed of 75kph.
- Driver breaks must be scheduled to be taken at the latest possible time and for the shortest possible period (there are no restrictions about where breaks may be taken).
- All OCR drivers have signed a Workforce Agreement to opt out of working time limits for night workers.

Other issues

Collection and delivery vans

OCR's depot manager in Cardiff has suggested that the company should replace some of its 3,500kg GVW vans with 7,500kg GVW lorries. She believes that the higher load capacity will save money.

Health & safety review

OCR's Director of Health & Safety has advised that the company's risk assessments need to be reviewed soon.

Courital

OCR is looking into ways in which it can offer international services. Its Managing Director (Alison Jones) has been approached by Courital, an Italian courier company operating across Europe.

Courital's CEO has told Alison that Courital is thinking about closing its UK operation, to be replaced by an arrangement with a UK courier company. He suggested that Courital could send one lorry to Dover every day, to deliver parcels destined for UK addresses and collect parcels from the UK destined for Europe. OCR is invited to tender for including these loads in its own trunking network and local collection/delivery service.

Alison sees an opportunity to use Courital's European network to allow OCR to offer international deliveries to its own customers. Her idea is to send and receive parcels to and from Europe, meeting Courital's lorry at Dover, using OCR's trunking Route 3.

Terms and conditions of carriage

OCR's current terms and conditions include provisions that cover the following matters:

- Acceptable shipments and packaging requirements
- Acceptable collection and delivery addresses
- Charges and fees
- Liability for loss or damage (maximum £20 per kilogram)
- Time limits for delivery
- Optional customer shipment insurance
- Deliveries and undeliverables
- Routeing
- Governing law (UK)
- OCR is a private carrier

Financial Standing

The Senior Traffic Commissioner's Statutory Document No. 2 states the following:

"The finance required for each authorised vehicle is based on the rate of exchange for the Euro as set each October. The Secretary of State previously concluded that under EU legislation financial standing limits should be the same for both national and international licences as they existed. Operators who apply to add to the number of vehicles on their licences will be checked against the new limits. In the case of Multiple Licence Holders the levels apply to the first vehicle and then the total remaining number of vehicles across the licences."

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