

**OXFORD CAMBRIDGE AND RSA EXAMINATIONS**

**LEVEL 3 CERTIFICATE OF PROFESSIONAL  
COMPETENCE FOR TRANSPORT MANAGERS  
(ROAD HAULAGE)**

**05689**

**UNIT R2 CERTIFICATE OF PROFESSIONAL COMPETENCE  
(ROAD HAULAGE) CASE STUDY**

**FRIDAY 12 SEPTEMBER 2014    1.00 PM – 3.15 PM    TIME: 2 HOURS 15 MINUTES**

**CASE STUDY**

**THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK**

## **Background**

The Cartny Group Ltd (the Group) was established in 1950 and has grown to be one of the largest privately owned haulage contractors in the north of England. The Group has one operating centre, situated in Ripon (North Eastern Traffic Area) where its operating companies are based.

The group Managing Director is Patrick Cartny. The operating companies are:

### **Cartny Fuels Ltd**

With a Standard National Operator Licence authorising 10 vehicles, this company distributes diesel fuel and home heating oil to customers in the north-east region in rigid road tankers.

### **Cartny Haulage Ltd**

With a Standard International Operator Licence authorising 110 vehicles and 200 trailers, this company carries grains, fertilisers and quarried products in its fleet of articulated bulk tippers.

You hold an international CPC and are the Transport Manager for both companies. Your team includes 3 Transport Supervisors who are also international CPC holders.

## **Group Policies**

All drivers must be scheduled 15 minutes to carry out a walkaround check at the start of every shift.

All drivers of vehicles subject to dangerous goods regulations, must be scheduled a further 15 minutes at the start of every shift to check that ADR equipment is in order.

At the end of every shift, all drivers must be scheduled 5 minutes to hand in keys and paperwork.

Drivers' breaks and rest periods must be taken as late as legally possible, and for the shortest permitted time.

Drivers are required to supervise all loading and discharging/unloading of vehicles.

All tankers must be fully discharged before the end of a driver's shift.

Drivers are to be paid for a normal daily duty time, including breaks, of ten hours. Additional duty time is paid at the rate of £5 for every twenty minutes, (this overtime is treated as a standing cost.)

## SWOT Analysis

Patrick has recently completed an analysis of the Group's strengths, weaknesses, opportunities and threats. His key findings are summarised below:

### Strengths

- well established
- financially strong
- excellent reputation
- green OCRS score.

Actions required to maintain strengths;

- continue policies of financial caution
- maintain careful control of sub-contractors.

### Weaknesses

- reduced driver availability because the Group started Periodic Training too late and now struggles to place drivers on courses.

Actions required to address weaknesses;

- gain approval as a Driver CPC centre and provide in-house Periodic Training courses.

### Opportunities

- expand the fuel distribution business
- increase profits by taking over the established business of carrying fuel product from the fuel terminal in Sunderland to Ripon.

Actions required to exploit opportunities;

- Carnty Fuels Ltd to open two new leased operating centres, one in Leicester (Eastern Traffic Area) and one in Leeds (North Eastern Traffic Area)
- terminate fuel collection contract with sub-contractor
- purchase one articulated road tanker for fuel collection
- prepare driver schedules and cost budgets for fuel collection. Relevant data for these journeys is in the table below.

Distance between Ripon operating centre and Sunderland fuel terminal (one way)	105 km
Average speed	60 kph
Morning loading slot at Sunderland	08:10 hrs*
Afternoon loading slot at Sunderland	13:55 hrs*
Loading time at Sunderland	55 minutes
Discharge time at Ripon	35 minutes

\* The driver's morning schedule should be planned for the vehicle to arrive at the Sunderland terminal at 08:10 hrs. The 13:55 hrs loading is mandatory and the vehicle will be turned away if it arrives at the terminal at any other time.

### Threats

- competitors successfully bidding for ANH Fertilisers plc work, currently carried out by the Group

Actions required to counteract threats;

- commit to undertaking all road haulage for ANH Fertilisers plc
- appoint sub-contractors to carry out any haulage beyond the Group's current means.

### ANH Fertilisers plc

ANH Fertilisers plc is a manufacturer of Ammonium Nitrate based fertiliser (UN2067, Class 5.1).

ANH Fertilisers plc want a single supplier for all road haulage services, and the appointed supplier will be required to move 4,988,000kg of their fertiliser, weekly in bulk throughout the UK.

A further 24,000kg of the fertiliser will be moved weekly, in 600 kg bags, to their factory in Paris, France. ANH Fertilisers plc will provide a dedicated semi-trailer and book the cross-channel ferries for this movement.

All journeys for ANH Fertilisers plc will be within the scope of ADR 2013 and IMDG 2012.

### Fleet and Financial Information

(Data below is expressed per vehicle)

	Cartny Haulage Ltd		Cartny Fuels Ltd		
	Tractor unit	Bulk Tipper semi-trailer	Rigid road tanker	Tractor unit (estimated)	Road Tanker semi-trailer (estimated)
Gross train weight	44,000kg		n/a	44,000kg	
Kerbside weight (including driver)	7,000kg	8,000kg	7,500kg	7,000kg	5,000kg
Number of vehicles owned	91	100	10	0	0
<b>Standing costs</b>					
Purchase price (including tyres)	£79,000	£27,000	£110,000	£89,500	£72,300
Replacement cycle	5 years	10 years	5 years	5 years	20 years
Residual value on replacement	£16,600	£4,600	£30,000	£37,100	£9,900
Driver wages per hour (first 10 hours)	£10	n/a	£10	£10	n/a
Other Standing Costs per annum	£15,000	£150	£12,000	£16,000	£500
<b>Running costs</b>					
Number of tyres fitted	8	6	6	8	6
Tyre cost (each)	£310	£410	£300	£300	£400
Tyre life (km)	25,000	20,000	27,500	30,000	30,000
Fuel cost (per litre)	£1.25	n/a	£1.25	£1.25	n/a
Fuel consumption (kpl)	2.4	n/a	3.1	3.0	n/a
Maintenance cost per km	£0.07	£0.05	£0.05	£0.06	£0.04
<b>Annual utilisation</b>	300 days	300 days	304 days	250 days	250 days

**THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK**

**THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK**

Oxford Cambridge and RSA Examinations is a Company Limited by Guarantee  
Registered in England  
Registered Office: 1 Hills Road, Cambridge, CB1 2EU  
Registered Company Number: 3484466  
OCR is an exempt Charity

**E105 1409**