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Examination Details:

Paper Title:	June 2023 Series P2 (Passenger Transport) Case Study
Paper No:	CPCP2623
Date of Examination:	9th June 2023 13:00 – 15:15

Time allowed: 2 hours 15 minutes**You must have:**

- This case study.
- A question/answer booklet.

You may use:

- A calculator.
- A dictionary.
- Any permitted written materials.

Instructions:

- Use the case study information to answer all the questions.
- Write your answer to each question in the space provided in the question/answer booklet. If you need extra space, extra pages are available at the end of the question/answer booklet. The question numbers must be clearly shown.
- If you have used the extra pages available, additional paper may be used if required but you must clearly show your name, date of birth and question number(s).
- Answer all the questions.

Information:

- The total mark for this paper is 60.
- The marks for each question are shown in brackets () in the question/answer booklet.
- This document has 4 pages.
- Assessment material has been prepared in line with legislation current at the time of production. Any subsequent changes to legislation have not been taken into account, however, responses that refer to amended legislation will be credited.
- Covid-19: Candidates will not be questioned on any temporary rules introduced due to Covid-19. Answers that reflect such measures will not be credited.

Background

The Treblig family operated Treblig Coach Services (TCS) as a partnership for many years. TCS' operating centre is in Farnham, (Surrey), in the London and South East Traffic area, its operator licence authorises 22 vehicles. In December 2022, Mr and Mrs Treblig incorporated TCS Limited as the only shareholders and directors. The limited company took over all the assets and liabilities of the business; issued new contracts to all TCS employees; registered for VAT; and it enters into contracts with the business's suppliers and customers. The partnership was formally dissolved in January 2023.

The business continues to trade with its vehicles bearing 'Treblig Coach Services' livery. The partnership's Standard International operator licence has authorisation for 22 vehicles.

Current operations include home to school transport for both state and independent schools and the army in Aldershot, as well as private hire for various local companies and tour operators. TCS has an operating centre in Farnham, from which it operates 4 x 25 seat minicoaches, 10 x 53-seat standard coaches and 4 x 42-seat touring coaches. In addition, 5 x 49-seat touring coaches, all with drivers' bunks, are kept permanently and operated from the army camp at Tidworth in Wiltshire (which is in the Western Traffic Area). All vehicles are in daily use and are maintained in-house at the Farnham operating centre.

You left the army in 2022 and passed your International Transport Manager CPC in December of that year. You were appointed to be the nominated Transport Manager at TCS in March 2023. The family who own the company felt that their management abilities were limited and employed you to assist them in improving compliance, efficiency and profitability. They had specific concerns over vehicle maintenance planning and recording. You assured them that you would be able to ensure better compliance in all areas of the business and that you would also be able to increase the company's revenue by utilising your knowledge of and contacts from the army.

Current Issues

Major Ahmed, one of your previous army colleagues has already approached you about the possibility of providing a coach for a tour to the Bordeaux area in France for the army officers' wine appreciation society. You have prepared some preliminary information for this trip, which is given below, headed 'Bordeaux Trip Information'.

The partnership's operator licence was last reviewed by the Traffic Commissioner in September 2022. No notifications or applications to the Traffic Commissioner/CLO have been made since that time.

The directors had concerns about the profitability of the business and began preparing some financial accounts, but these were not completed. One of your first tasks will be to review and complete these accounts, using data from various records and your own experience in the industry. You have already identified overstaffing as a possible problem. 23 drivers are currently employed. The owners of the company, in common with many family businesses have never fully costed their coach operations, particularly in respect of their indirect costs and you are concerned that this will have resulted in much of their work being underpriced. In view of this, you have decided that you will use information from the newly prepared accounts to properly allocate indirect costs to vehicles.

Company Policies

All drivers must be scheduled for 15 minutes at the beginning of each day for a vehicle walkround check.

Drivers will always take breaks as late as legally possible and for the shortest possible time, except when on board a ferry or train.

There is a workforce agreement in place, whereby the 10-hour rule for night workers is not applied.

Bordeaux Trip Information

- Coach required. 49-seat touring coach, single manned.
- Departure from Tidworth must be as late as possible and arrival in Bordeaux must be as early as possible.
- All passengers will board the coach at Tidworth army camp. This will take 15 minutes, with the driver assisting.
- The outward ferry journey will be via Portsmouth/Caen, departing Portsmouth at 2200hrs.
- Check-in for the ferry takes 15 minutes and must be completed 2 hours before ferry departure time.
- Embarkation onto the ferry takes 30 minutes and begins 30 minutes before ferry departure.
- Ferry crossing time is 8 hours. (cabin provided for driver).
- Disembarkation takes 20 minutes.
- The group are booked into a cafe in Caen town centre for a 90-minute breakfast stop at 0730hrs. (local time). The driver is not required during this time.
- Unloading in Bordeaux will take 30 minutes, driver required to assist.

Speed/Distance information for Bordeaux Tour

	Distance (km)	Speed (kph)
Tidworth to Portsmouth Ferry Terminal	90	60
Caen Ferry Terminal to Caen town centre	5	30
Caen Town centre to Bordeaux	585	90

Average speeds given above, take account of time for passengers boarding and alighting at intermediate points.

TCS Operating Cost information

All of the values for direct costs given below are averages across the entire TCS fleet. The directors have been using these average figures, taken from the incomplete 2022 accounts, as a basis for their pricing policy.

Direct Costs

Driver costs per driver per annum (23 drivers throughout 2022) (including all costs of employment)	£30,000.00
Fuel cost per litre	£1.20
Average vehicle fuel consumption (km/l)	4
Average annual distance travelled (km per vehicle)	78,000
Average maintenance cost per vehicle per km	£0.28
Average tyre cost per vehicle per km	£0.04
Insurance and VED cost per vehicle per annum	£5,250.00
Other direct costs per vehicle per annum	£4,900.00
Average days in use per vehicle per annum	240

Indirect Costs

The indirect costs given below are taken directly from the Profit and Loss Account for the year ended 31 December 2022.

Wages and salaries (All non-driving staff)	£175,000
Rent and rates	£70,000
Printing and Stationery	£24,000
Telephones	£22,500
Professional fees	£12,500
Bank charges	£4,550
Building costs (including insurances)	£15,200