

Issue 9

Summer 2008



Epsom Coaches Group News

Comment

With over a half of the financial year already gone, the company is still performing well despite the challenges faced by increasing fuel costs – 46% over the past year.

A great deal of management time has been spent in providing tenders for both the retention of existing bus services as well as for providing new services. Our aim is to retain or gain business at levels that can be sustained in the future without compromising levels of service. This all means that given the present economic climate we will have to keep an even stricter eye on costs in order to remain competitive and profitable.

The biggest turnaround of late has been in the fortunes of the Epsom Coaches holiday business which has seen growth for the first time in a decade. There have been a number of factors that have brought about this change including the use of higher quality hotels, couriers on most departures, better coaches with more legroom, home pick-ups, improved marketing, a new internet booking system and a dedicated

team of sales staff and drivers. On this subject I was delighted that Alistair Scott recently received recognition for all his hard work at the Coach Tourism Awards where he won 'Coach Tourism Manager of the Year'.

The long awaited development of the land to the rear of our premises has not happened as quickly as I would have liked however there are now some signs of progress. The local council have agreed in principle to the removal of a number of trees along the rear fence and this should enable the application to proceed. The extra land will provide us with enough space to park the coach fleet in allocated bays, expand the bus parking area and make available much needed parking for staff cars. In addition to this development we have also been looking at ways of re-developing the existing site (details elsewhere in this newsletter). The aim is to provide a better working environment for everyone and enable the business to operate more efficiently in the years to come.



Andrew Richmond

Fuel - the great debate

Certainly the topic of the moment, not only for business but also for individuals as we all feel the pinch at the pump. But why has oil and therefore our diesel and petrol suddenly gone up so much? Well the short answer is demand particularly for diesel, outstripping refining capacity and this has been driven by the new industries in China and India. In the past, demand usually drops when the price goes up, so the producers reduce the price and therefore keep the wells working. Unfortunately that has not happened this time, but inevitably the price will drop or at least stabilise at some point, but who knows by how much?

From the firm's point of view (and your own), with vehicles doing as little as 5 mpg, we need to stretch every drop of diesel as far as we can. We have already reduced idling of engines in the garage, but have yet to tackle the way the vehicles are driven. Smooth acceleration and braking are the key and can result in a 10% fuel saving. Put another way, a 10% saving on this years fuel bill would save around £160,000, a significant sum for doing nothing but driving in the correct way. It would also reduce accidents and be more relaxing for the passengers. Are you driving with maximum economy and comfort of your passengers in mind?

Quality Line News

Well Summer is finally here!

We have had some very disappointing news, but we are not going to dwell on that. We will soon be saying goodbye to route 293, but we never stand still as we are bidding for three new routes and we are awaiting the outcome of our bids to retain route 463, E15, E16 & 408.

Since the last newsletter we have had a few faces leave the office and I wish them all the best. I would also like to welcome Aaron, Amanadeep & Martin and I wish them well in their new roles.

With the price of fuel going through the roof, we have to make savings wherever possible. With this in mind, can you please make sure that the buses are turned off when you return to the garage at the end of the day, that they are not left running whilst on the stand and that we do not run unnecessary mileage.

OP 20 is well on its way to being converted back to a diesel engine. We wish it a speedy refit.

Jon Ball



Holidays News

Bookings are still looking healthy and we are well on the way towards our budget figure, which is higher than the previous financial year.



Our Autumn and Winter brochure is just out and we are hoping that sales will be strong despite the 'credit crunch' and rising domestic inflation. There is a greater than ever selection of tours in what is traditionally our 'low' season. There are five Christmas holidays and two at New Year. Also five destinations for Easter breaks.

Our holidays have a No Surcharge Guarantee and therefore unlike our competitors, we will not be increasing the price of our summer holidays.

Internet sales continue to be strong and now 25% of our day trips bookings are made online. We will be promoting the internet for holiday sales in our new brochure, with a £20 per person discount.

Alistair Scott

Alistair Scott wins award

Alistair Scott has won Coach Tourism Manager of the Year at a recent awards ceremony. The Coach Tourism Awards are considered the top honours in the coach holiday business, and winning is a great accolade. The judges were also particularly impressed that Epsom Coaches have readily embraced the internet and their unique door-to-door service. We were also finalists for two other awards, UK Holiday Programme of the Year and Coach Tourism Brochure of the Year.



Coaches News

With June about to pass and a busy July ahead, we are above target for revenue so far. Importantly, savings in cost have also resulted in an improvement in profitability from the dire results last year. However, let's not get too carried away, remember a coach costs 75 pence a mile, just in fuel, so every penny counts. Given the seasonal nature of this side of the business, coaches have yet to go into profit in 2008, but the signs are more promising than last year.

A recent audit of coach driver wage payments demonstrated that there were some "loose" practices on the administration side, which have meant incorrect payments being made. If you have been affected, apologies, but a new system has been introduced which should improve accuracy. Coupled with this is a review of the paperwork required from drivers, the aim being to reduce it to the absolute minimum, whilst still ensuring we have the information required.

We have a number of new clients for late July and August, traditionally a quieter time. This will involve working out of Canterbury and Guildford, with overnights at the former.

I will shortly be compiling a more in depth "Coach News" for the department, this will be a regular feature as I look to keep you all up to date.

One thing's for sure, we fully intend to capitalise on the current climate which tends to favour high quality operators like us.

Keep up the good work.

John Fowler

Staff Special Offers

All employees of H R Richmond Ltd and their families are entitled to a discount on Epsom Coaches holidays and day trips. However, we have also decided to offer some very special staff deals, where we still have some availability. If you want to make a booking or would like a brochure, please call into reception. Single supplements apply.

Manchester Ship Canal Cruise

£200 (£165 off brochure price)

Welsh Borders and Forest of Dean

£150 (£175 off brochure price)

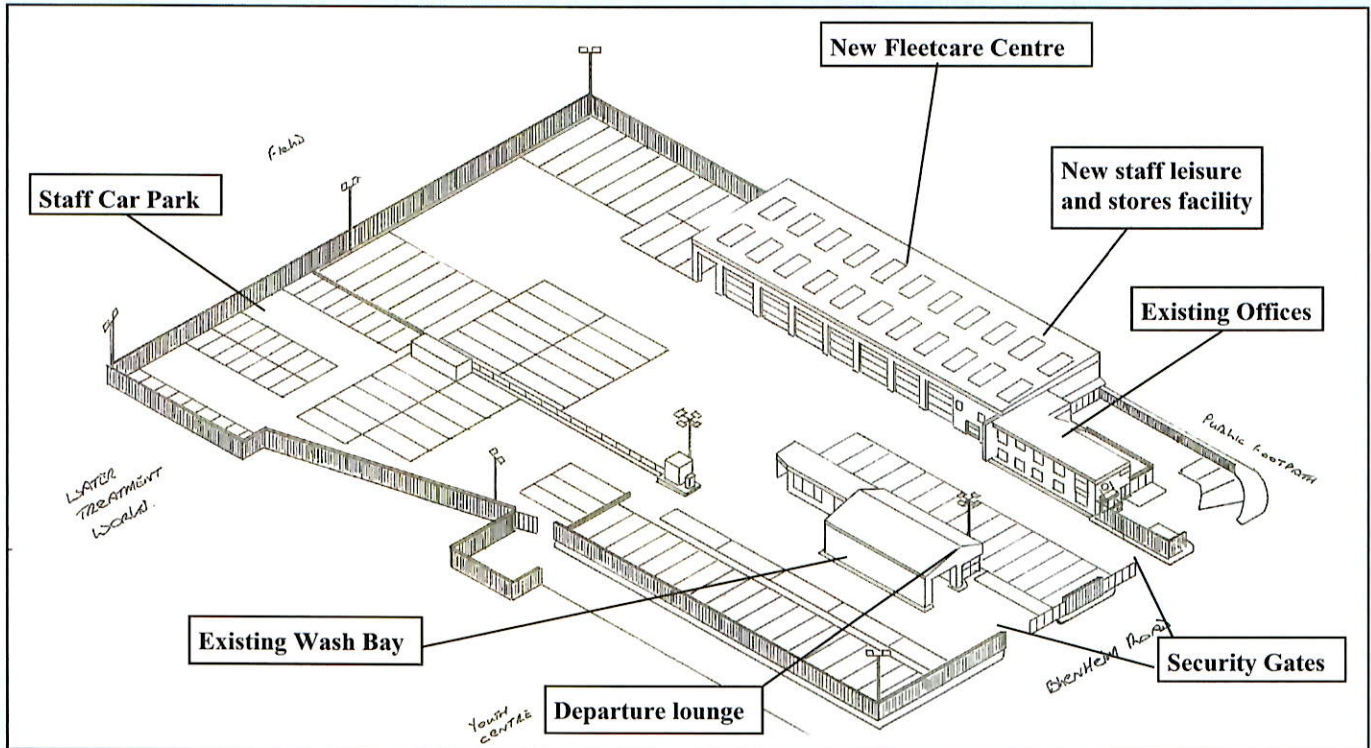
Warners Thoresby Hall - 15 Sep

£295 (£220 off brochure price)

Bournemouth, Poole & New Forest - 22 Sep

£275 (£150 off brochure price)

Building Developments



A new beginning?

The present buildings have served us well for over 35 years and our facilities are still regarded as some of the best in the industry. But we are restricted for PSV and car parking and could make better use of the site by redeveloping to provide:-

- A new 7 bay Fleetcare workshop including spray booth and dedicated MOT bay.
- New staff facilities including relaxation zone, refreshment area and toilets/showers.
- Covered vehicle wash facility to include chassis wash
- Retention of departure lounge with a new roof and canopy
- Dedicated 24 hour staff car park with 43 bays plus existing daytime car parking
- 86 coach and bus bays, with room for 125 PSVs overall
- Improved security and access
- Environmentally friendly

We are currently putting together proposals with a view to obtaining costings from contractors and we hope to have these in place by late July. Potential savings from the changes are also being evaluated, but could be quite substantial, including, business rates, utilities, vehicle damage, staff costs, fire prevention, training, building maintenance and insurance. A decision is likely to be made before the end of the year and if we go ahead, work would commence in 2009, ready for our 90th anniversary the following year

Following resolution of the tree issues, permission for the extension to the site is likely to go before planning in late summer, with work commencing towards the end of the year.

Refurbishment

The bus ops and sales rooms have recently been refurbished on a rolling basis and the accounts team have re-joined everyone in the main office block. There are just a few doors to be hung to comply with fire regulations and the work will be completed. Steve Whiteway

New vehicles

The second of our two Mercedes 25 seater coaches has now been delivered and is in service. The first had a number of faults which have been rectified and the improvements incorporated into the later model. These vehicles are restricted to 59 mph! Please take care when driving that you don't press the throttle pedal through the floor, as this will result in unwanted gear changes. Treat the throttle carefully and the coach will reward you (and our clients) with a smooth ride.

We are currently in the process of ordering a further tri axle Setra for delivery in January 2009. This will be to the same specification as the others, but without the rattles and for the first time, with 53 seats. One of the 2002 Setras will be sold prior to its replacement arriving. The cost of the new coach is in the region of £250,000 + VAT.

On the bus front, we are hopeful of success in retaining the 463 and this will require 8 new single deck buses. We are currently evaluating Optare Solo and ADL Enviro 200 options. The Optare is attractive, given its fuel efficiency, using around 11% less than the equivalent ADL product.

Social Club News

We sent out a newsletter recently, which you should have received through the post. If you did not receive this, please let me know. Here are our forthcoming events:-

- Daytrip to Butlins on Sunday 17th August, £5.00 each for social club member and 3 guests
- Never Forget, the Take That musical, Savoy Theatre, Monday 22nd September - £27.50 each
- Wicked at the Apollo Victoria Theatre, Thursday 16th October - £29.50 each

These events are planned, but not yet confirmed:-

- Thorpe Park in September,
- London Dungeon in October,
- Annual Daytrip to France in November/December,
- Outdoor Ice Skating in December and possibly Winter Wonderland in Hyde Park (subject to ticket availability)

Clare Dann

The Easter Prize Crossword competition was won by Alan Marshall. Congratulations to him!

An Englishman in New York

I have recently returned from a flying visit to New York as guest of Alexander Dennis. The purpose of the visit was to see how the New York transit authority have encompassed hybrid bus technology into their fleet over the past 10 years. Our limited experience with OP20, compares with over 800 hybrid buses in use in New York, with a further 800 on order.

The first thing that struck me about New York buses is how heavy they are at 21 tons gross weight, compared to a maximum 18 tons here! All buses are single deck and single door, 40 feet long. About half are low floor, but there is no CCTV or bandit screens. I asked a driver, what she thought about this, but she pointed to a sign which states that assaults on a "Bus Operator" are a felony and you will get seven years. Apparently, anyone doing so does get locked up, so maybe a lesson to be learned there by our authorities.

You might imagine that a heavy bus doesn't do much to the gallon and you would be right, they get just 2.5 mpg (US gallon) and around 30% more with a hybrid. In comparison, our Citaro would be the nearest equivalent at around 6 mpg, so a huge difference, although their buses still rattle despite all that weight!

All new buses going into London will be hybrid from 2012 and in the meantime around 100 a year will be introduced. For that reason we are likely to be bidding with an option for hybrid buses from November this year. The cost of a hybrid bus is around 70% more at the moment meaning a typical London specification double decker will cost in the region of £315,000! However, the fuel saving anticipated of 30% will help, as will reduced maintenance costs if the American experience is anything to go by.

All in all a very worthwhile visit, if tiring, not helped by my being apprehended by the American Immigration people on arrival at Newark and delayed for nearly two hours. Did one of you tip them off?

Steve Whiteway

Insurance Warning

Remember, if you have an accident in a company vehicle, you must tell your own motor insurer for your car or motorbike. An accident is an accident, wherever it happens and you will invalidate your own insurance if you don't declare any accident regardless of blame.

Please let us know if there are any subjects you would like to see in our company newsletters. Also any contributions will be greatly appreciated. Contact Alistair Scott.

