



<b>MEETING TITLE</b> Trust Board Meeting in Public		<b>MEETING DATE</b> 30/07/2020			
<b>TITLE of PAPER</b>	PTS Vehicle Replacement	<b>PAPER REF</b>	TB20.027		
<b>KEY PRIORITIES</b>	Deliver the best possible response for each patient, first time Equip our people with the best tools, technology and environment to support excellent outcomes Generate resources to support patient care and the delivery of our long-term plans, by being as efficient as we can be and maximising opportunities for new funding				
<b>PURPOSE OF THE PAPER</b>	The purpose of the paper is to: <ol style="list-style-type: none"> <li>1. Provide an update on the refreshed Board approved PTS fleet replacement plan;</li> <li>2. Gain authorisation to progress to order for the year two fleet.</li> <li>3. To propose accelerating and progressing the order for a further 50 vehicles for year 3, delivering into the current year</li> </ol>				
<b>For Approval</b>	<input checked="" type="checkbox"/>	<b>For Assurance</b>	<input type="checkbox"/>		
<b>For Decision</b>	<input type="checkbox"/>	<b>Discussion/Information</b>	<input type="checkbox"/>		
<b>AUTHOR / LEAD</b>	Jeff Gott, Deputy Head of Fleet Services Chris Dexter, Managing Director of PTS Mark Phillips, Senior Finance Business Partner Andy Owens, Head of Medical Devices	<b>ACCOUNTABLE DIRECTOR</b>	Mark Bradley, Executive Director of Finance  Karen Owens, Executive Director Urgent Care & Integration		
<b>DISCUSSED AT / INFORMED BY – include date(s) as appropriate [free text - please provide an audit trail of the development(s) / proposal(s) subject of this paper: see also guidance 3 overleaf]:</b>					
<b>PREVIOUSLY AGREED AT:</b>	<b>Committee/Group:</b> Finance & Investment Committee Board of Directors		<b>Date:</b> 13/06/2019 10/07/2019		
<b>RECOMMENDATION(S)</b>	It is recommended that the Trust Executive Group: <ol style="list-style-type: none"> <li>1. Approve the immediate order of 50 vehicles for 2020/21 in line with year 2 of the replacement plan.</li> <li>2. Approve the proposal to order of a further 50 vehicles as detailed in the replacement strategy for year 3 (2021/22), and accelerate this order for delivery in 2020/21.</li> </ol>				
<b>RISK ASSESSMENT</b>			<table border="1"> <tr> <td><b>Yes</b></td> <td><b>No</b></td> </tr> </table>	<b>Yes</b>	<b>No</b>
<b>Yes</b>	<b>No</b>				

<b>Corporate Risk Register and/or Board Assurance Framework amended</b> <i>If 'Yes' – expand in Section 4. / attached paper</i>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Equality Impact Assessment - [New]</b> <i>If 'Yes' – expand in Section 2. / attached paper</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Resource Implications (Financial, Workforce, other - specify)</b> <i>If 'Yes' – expand in Section 2. / attached paper</i>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Legal implications/Regulatory requirements</b> <i>If 'Yes' – expand in Section 2. / attached paper</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>ASSURANCE/COMPLIANCE</b>			
<b>Care Quality Commission</b> <b>Choose a DOMAIN(s)</b>	1: Safe 2: Effective		
<b>NHSI Single Oversight Framework</b> <b>Choose a THEME(s)</b>	2. Quality of Care (safe, effective, caring, responsive) 4. Operational Performance		

# PTS Vehicle Replacement

## 1. PURPOSE/AIM

The purpose of the paper is to:

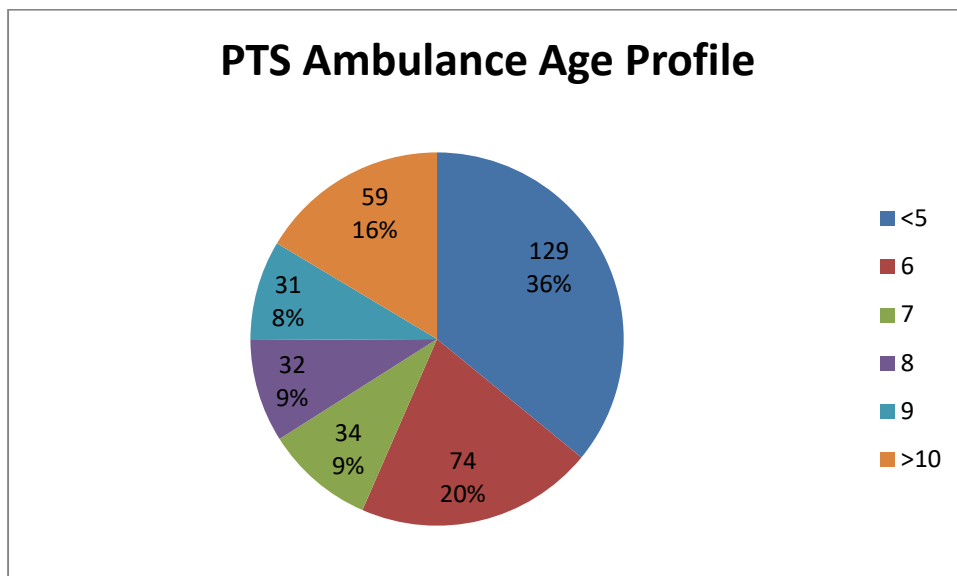
1. Provide an update on the refreshed Board approved PTS fleet replacement plan;
2. Gain authorisation to progress to order for the year two fleet.
3. To propose accelerating and progressing the order for a further 50 vehicles for year 3, delivering into the current year.

## 2. BACKGROUND/CONTEXT

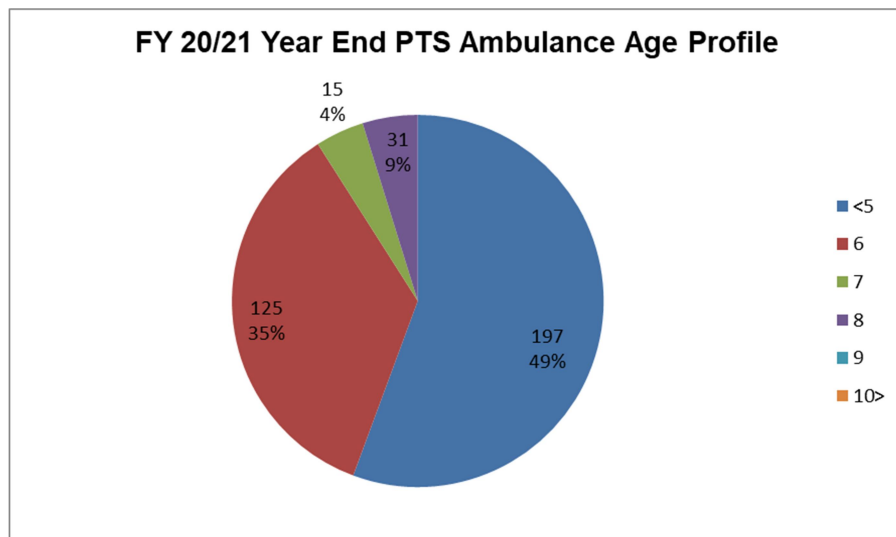
- 2.1 The PTS Fleet replacement programme (Appendix 1) was approved by the Trust Board in Private in July 2019 and year 1 of the programme was approved. Subsequently, 73 vehicles were procured and put into service during 2019/20.
- 2.2 The PTS vehicle profile (Table 2.2a) shows that there are a significant number of vehicles that are over the current 7-year replacement cycle, with 16% (59) of the overall fleet being over 10 years' of age.

Charts 2.2b and 2.2c provide a visual representation of the PTS fleet age profile based upon option 1, the approved 3 year replacement plan; or option 2 to accelerate the procurement of year 3 fleet into year 2.

### 2.2a 2019/20 (current position)

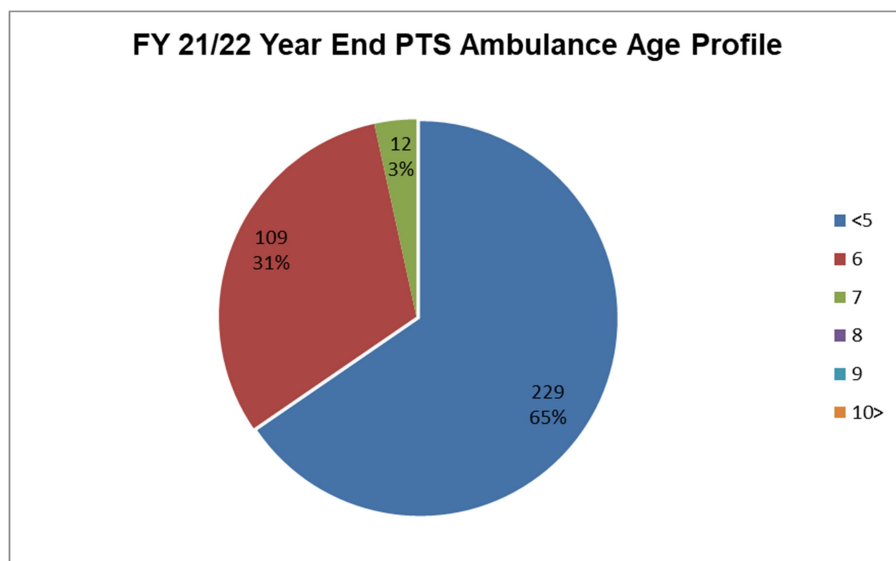


2.2b 2020/21(year 2) for option:



2.2c End of year 3 (2021/22) for option 1,

Or, year 2 (2020/21) if option 2 is approved:



2.5 This report seeks approval for the replacement of the remaining vehicles within the fleet replacement programme (Appendix 1), being 50 vehicles for 2020/21 and a further 50 for 2021/22.

2.6 The Trust has a contract with Inchape for Lease and Conversion (although the actual conversion is undertaken by O&H) and this contact will be utilised to procure the additional vehicles.

2.7 Two options are submitted for consideration:

2.7.1 Option 1: Replace 50 vehicles in 2020/21 and a further 50 on the 1 April 2021

2.7.2 Option 2: Replace all the remaining 100 vehicles during 2020/21

2.8 The financial analysis below indicates that both options are viable but in operational terms option, 2 is preferred as the efficiencies will be gained earlier (e.g. reduced VOR). IN addition, there will be a reduction in administrative costs associated with two procurement exercises required under option 1.

2.9 The table below summarises the costs and savings over a 6-year period associated with the removal of 190 PTS vehicles and the replacement with 173.

2.10 A budget for the lease of the vehicles is available within fleet and both options result in a CIP in 2020/21 (being £267k Option 1 and £159k Option 2) and a significant saving over the 6 year period. Both options also result in the same full year effect of a cost pressure of £143k per annum by year 6. This is in line with the financial implications outlined in the original report to Board in July 2019. The financial implications are summarised in the table below and more details are provided at Appendix 2.

2.11 Option 2 has the lower CIP in 2020/21 and net saving in the 6 year period due largely to the lease costs being incurred from October 2020 rather than April 2021. Option 2 is the preferred option as the operational (for example lower VOR rates) and administrative efficiencies will offset the marginally lower savings.

Summary - Revenue Costs / Savings (-)	Option 1		Option 2	
	6 Year Total	FYE Yr 6	6 Year Total	FYE Yr 6
	£000	£000	£000	£000
<b>Lease: Impact on I&amp;E (based on 5 year + 1) Equipment</b>	<b>6,889</b>	<b>1,473</b>	<b>7,109</b>	<b>1,473</b>
	<b>165</b>		<b>165</b>	<b>0</b>
Fuel Savings - vehicles replaced	-608	-131	-624	-131
Maint' savings- vehicles replaced	-2,373	-372	-2,455	-372
	<b>-2,981</b>	<b>-502</b>	<b>-3,079</b>	<b>-502</b>
Fuel Savings - net overall reduction in vehicles	-283	-60	-289	-60
Maint' Savings - net overall reduction in vehicles	-348	-74	-355	-74
Insurance - net overall reduction in vehicles	-215	-47	-209	-47
	<b>-846</b>	<b>-181</b>	<b>-853</b>	<b>-181</b>
<b>Total Savings</b>	<b>-3,827</b>	<b>-683</b>	<b>-3,932</b>	<b>-683</b>
<b>Budget Requirement / saving (-)</b>	<b>3,227</b>	<b>790</b>	<b>3,342</b>	<b>790</b>
<b>Lease budget available</b>	<b>-3,884</b>	<b>-647</b>	<b>-3,884</b>	<b>-647</b>
<b>Net Budget Requirement / saving (-)</b>	<b>-656</b>	<b>143</b>	<b>-542</b>	<b>143</b>

### 3. PROPOSALS/NEXT STEPS

#### 3.1. Replacement programme:

- Current year: PTS to procure 50 new ambulance type vehicles initially to replace 55 vehicles (1% not replaced. This will lead to a 5.3% reduction in the total fleet by year 3). This includes full equipment including defibrillator, and removable bulk head.
- To recommend for approval the PTS replacement refreshed plan for year 3; procurement of a further 50 ambulances and decommission 54.

3.2 Greener fleet options: YAS fleet continue to explore and pilot Hybrid / Electric replacement for the fleet; however, as yet, there are no viable, light commercial vehicle options available on the market. This fleet option is for Euro 6 emission; which is the highest current specification.

Outside of the ambulance replacement plan we are piloting hybrid cars, with the intention of replacing any end of lease cars with hybrid as a minimum; this is a point of note only for this paper.

	<b>Current Fleet</b>		<b>359</b>					
	<b>Remove from Fleet</b>	<b>Procure</b>	<b>Running Total Removed</b>	<b>Running Total Procured</b>	<b>% Reduction</b>	<b>Overall Reduction</b>	<b>Revised Fleet Total</b>	<b>% Fleet Reduction</b>
<b>2019</b>	81	73	81	73	-9.9%	-8	315	-2.5%
<b>2020</b>	55	50	136	123	-9.6%	-13	310	-4.0%
<b>2021</b>	54	50	190	173	-8.9%	-17	306	-5.3%

3.3 Subject to TEG approval this paper would then progress to Trust Board in July 2020 for approval.

### 4. RISK ASSESSMENT

For the purpose of refreshing the Board approved 2019 PTS fleet replacement paper; one new risk has been identified.

4.1 Delivering the PTS Fleet requirement to meet the planned care requests of the acute providers during the forthcoming phases of the COVID -19 pandemic will be a challenge. The leadership team within PTS are actively engaged at local, ICS and national level with regards to planned activity projections and social distancing guidance. The procurement of these vehicles itself does not present any new risk, however, if social distancing guidance remains unchanged, YAS may be required to not decommission vehicles as outlined in this paper. This would result in cost associated with these extra vehicles in the short to medium terms to meet the demands of the Covid 19 pandemic. The requirements are currently being modelled and will be presented to TEG at a later date.

## **5. RECOMMENDATIONS**

It is recommended that the Trust Executive Group:

1. Approve the immediate order of 50 vehicles for 2020/21 in line with year 2 of the replacement plan.
2. Approve the proposal to order a further 50 vehicles as detailed in the replacement strategy for year 3 (2021/22), and accelerate this order for delivery in 2020/21.

## **Appendix 1 – Fleet Replacement (Board July 2019)**



PTS Vehicle  
Replacement Board (:

## **Appendix 2 – Financials**

### **Option 1**



Year 1 final Q; 20/21 replacements operational wef 1 November; 21/22 wef 1 April							
	No of Vehicles	Revenue Costs / Savings (-)					
		2019/20 PYE	2020/21 PYE	2021/22	2022/23	2023/24	2024/25
Lease: Impact on I&E (based on 5 year + 1)		£157,940	£618,909	£618,285	£618,262	£618,858	£620,090
Lease: Impact on I&E (based on 5 year + 1)		£0	£215,732	£422,688	£422,261	£422,246	£422,652
Lease: Impact on I&E (based on 5 year + 1)		£0	£0	£439,686	£430,741	£430,307	£430,291
<b>Lease Total</b>		<b>£157,940</b>	<b>£834,641</b>	<b>£1,480,658</b>	<b>£1,471,264</b>	<b>£1,471,410</b>	<b>£1,473,033</b>
<b>Lease funding available</b>		<b>-£647,295</b>	<b>-£647,295</b>	<b>-£647,295</b>	<b>-£647,295</b>	<b>-£647,295</b>	<b>-£647,295</b>
<b>Equipment</b>		<b>£79,236</b>	<b>£53,921</b>	<b>£32,112</b>			
Fuel Savings - average saving per vehicles replaced	73	-£13,810	-£55,239	-£55,239	-£55,239	-£55,239	-£55,239
Fuel Savings - average saving per vehicles replaced	50	£0	-£15,765	-£37,835	-£37,835	-£37,835	-£37,835
Fuel Savings - average saving per vehicles replaced	50	£0	£0	-£37,835	-£37,835	-£37,835	-£37,835
Fuel Savings - net overall reduction in vehicles	8	-£7,074	-£28,296	-£28,296	-£28,296	-£28,296	-£28,296
Fuel Savings - net overall reduction in vehicles	5	£0	-£7,369	-£17,685	-£17,685	-£17,685	-£17,685
Fuel Savings - net overall reduction in vehicles	4	£0	£0	-£14,148	-£14,148	-£14,148	-£14,148
Maint' savings- average saving per vehicles replaced	73	-£72,072	-£253,957	-£224,909	-£211,267	-£158,379	-£118,386
Maint' savings- average saving per vehicles replaced	50	£0	-£82,274	-£173,943	-£154,048	-£144,704	-£108,479
Maint' savings- average saving per vehicles replaced	50	£0	£0	-£197,457	-£173,943	-£154,048	-£144,704
Maint' Savings - net overall reduction in vehicles	8	-£8,682	-£34,728	-£34,728	-£34,728	-£34,728	-£34,728
Maint' Savings - net overall reduction in vehicles	5	£0	-£9,044	-£21,705	-£21,705	-£21,705	-£21,705
Maint' Savings - net overall reduction in vehicles	4	£0	£0	-£17,364	-£17,364	-£17,364	-£17,364
Insurance - net overall reduction in vehicles	8	-£5,508	-£22,033	-£22,033	-£22,033	-£22,033	-£22,033
Insurance - net overall reduction in vehicles	5	£0	£0	-£13,770	-£13,770	-£13,770	-£13,770
Insurance - net overall reduction in vehicles	4	£0	£0	-£11,016	-£11,016	-£11,016	-£11,016
		- 107,146	- 508,703	- 907,964	- 850,912	- 768,784	- 683,222
<b>Net Budget Requirement / saving (-)</b>		<b>-£517,264</b>	<b>-£267,436</b>	<b>-£42,489</b>	<b>-£26,943</b>	<b>£55,330</b>	<b>£142,516</b>

## Option 2

Year 1 final Q; Year 2 & 3 replacements in 20/21, operational wef 1 November 2020							
	No of Vehicles	Revenue Costs / Savings (-)					
		2019/20 PYE	2020/21 PYE	2021/22	2022/23	2023/24	2024/25
Lease: Impact on I&E (based on 5 year + 1)		£157,940	£618,909	£618,285	£618,262	£618,858	£620,090
Lease: Impact on I&E (based on 5 year + 1)		£0	£215,732	£422,688	£422,261	£422,246	£422,652
Lease: Impact on I&E (based on 5 year + 1)		£0	£219,842.78	£439,686	£430,741	£430,307	£430,291
<b>Lease Total</b>		<b>£157,940</b>	<b>£1,054,484</b>	<b>£1,480,658</b>	<b>£1,471,264</b>	<b>£1,471,410</b>	<b>£1,473,033</b>
<b>Lease funding available</b>		<b>-£647,295</b>	<b>-£647,295</b>	<b>-£647,295</b>	<b>-£647,295</b>	<b>-£647,295</b>	<b>-£647,295</b>
<b>Equipment</b>		<b>£79,236</b>	<b>£53,921</b>	<b>£32,112</b>			
Fuel Savings - average saving per vehicles replaced	73	-£13,810	-£55,239	-£55,239	-£55,239	-£55,239	-£55,239
Fuel Savings - average saving per vehicles replaced	50	£0	-£15,765	-£37,835	-£37,835	-£37,835	-£37,835
Fuel Savings - average saving per vehicles replaced	50	£0	-£15,765	-£37,835	-£37,835	-£37,835	-£37,835
Fuel Savings - net overall reduction in vehicles	8	-£7,074	-£28,296	-£28,296	-£28,296	-£28,296	-£28,296
Fuel Savings - net overall reduction in vehicles	5	£0	-£7,369	-£17,685	-£17,685	-£17,685	-£17,685
Fuel Savings - net overall reduction in vehicles	4	£0	-£5,895	-£14,148	-£14,148	-£14,148	-£14,148
Maint' savings- average saving per vehicles replaced	73	-£72,072	-£253,957	-£224,909	-£211,267	-£158,379	-£118,386
Maint' savings- average saving per vehicles replaced	50	£0	-£82,274	-£173,943	-£154,048	-£144,704	-£108,479
Maint' savings- average saving per vehicles replaced	50	£0	-£82,274	-£197,457	-£173,943	-£154,048	-£144,704
Maint' Savings - net overall reduction in vehicles	8	-£8,682	-£34,728	-£34,728	-£34,728	-£34,728	-£34,728
Maint' Savings - net overall reduction in vehicles	5	£0	-£9,044	-£21,705	-£21,705	-£21,705	-£21,705
Maint' Savings - net overall reduction in vehicles	4	£0	-£7,235	-£17,364	-£17,364	-£17,364	-£17,364
Insurance - net overall reduction in vehicles	8	£0	-£22,033	-£22,033	-£22,033	-£22,033	-£22,033
Insurance - net overall reduction in vehicles	5	£0		-£13,770	-£13,770	-£13,770	-£13,770
Insurance - net overall reduction in vehicles	4	£0		-£11,016	-£11,016	-£11,016	-£11,016
		- 101,637	- 619,872	- 907,964	- 850,912	- 768,784	- 683,222
<b>Net Budget Requirement / saving (-)</b>		<b>-£511,756</b>	<b>-£158,761</b>	<b>-£42,489</b>	<b>-£26,943</b>	<b>£55,330</b>	<b>£142,516</b>

### Appendix 3 – PTS costs

PTS						
PTS Maintenance Year 1	392	-91%	PTS Maintenance Year 6	2719	PTS Maintenance Year 11	3752
PTS Maintenance Year 2	862		PTS Maintenance Year 7	3311	PTS Maintenance Year 12	4701
PTS Maintenance Year 3	1260		PTS Maintenance Year 8	3857	PTS Maintenance Year 13	4701
PTS Maintenance Year 4	1447		PTS Maintenance Year 9	3105	PTS Maintenance Year 14	4701
PTS Maintenance Year 5	2171	-50%	PTS Maintenance Year 10	4008	PTS Maintenance Year 15	4701
Insurance Costs	2,754				PTS Maintenance Year 16	4701
Fuel Costs (Yrs 1-5)	2,456				PTS Maintenance Year 17	4700.83
Fuel Costs (Yrs 6-10)	2,947				average maint	4341.02
Fuel Costs (Yrs 11-15)	3,537	-31%				
		-21%				