

**EXECUTIVE MEMBER DECISION FORM**

**DECISION TO BE TAKEN BY:** Cllr Pat Hackett

**KEY DECISION No**

**PORTFOLIO AREA:** Leader

**PORTFOLIOS AFFECTED:** Leadership

**WARDS AFFECTED:** None

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**SUBJECT:** Replacement of the Mayor's vehicle

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**1. RECOMMENDATION:**

- 1.1 That the Director of Governance and Assurance be authorised to procure a leased vehicle to replace the current Mayor's car on the basis of the specification, preferences and budget referred to below.
- 1.2 That, in doing so, consideration be given to the possibility of a business or company sponsoring the replacement of the Mayor's vehicle.

**2. REASONS FOR THE DECISION**

- 2.1. To ensure that an appropriate vehicle is procured, that is of suitable specification, to be utilised for civic engagements and transportation of the Mayor/Deputy Mayor.

**3. STATEMENT OF COMPLIANCE**

- 3.1 The recommendations are made further to legal advice from the Monitoring Officer and the Section 151 Officer confirming that they do not incur unlawful expenditure. The recommendations reflect the core principles of good governance, as set out in the Council's Code of Corporate Governance.

**4. DECLARATION OF INTEREST**

<b>Signed:</b> 	<b>Signed:</b> 
<b>Executive Member:</b>	<b>Chief Officer:</b> VICKI SHAW
<b>Date:</b> 12/08/19	<b>Date:</b> 12/08/19
<b>Also present:</b>	

**Date of Publication:**

**Date of Expiry of Call-In Period:**

## SUPPORTING INFORMATION

### 1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 To ensure that an appropriate vehicle is procured, that is of suitable specification, to be utilised for civic engagements and transportation of the Mayor / Deputy Mayor.

### 2.0 OTHER OPTIONS CONSIDERED

- 2.1 To procure rather than lease a vehicle:

- The previous car was purchased due to the increasing maintenance costs of the car prior to that. That consideration, together with soft market testing and a financial assessment of the various funding options for purchasing a vehicle has led to a conclusion that to purchase a vehicle of appropriate specification plus annual maintenance costs would not be as cost efficient as leasing a vehicle.

- 2.2 To hire a car and driver for each occasion:

- This is considered to be the most expensive option given the number of events attended by the Mayor each year to represent and promote the Borough and its image

### 3.0 BACKGROUND INFORMATION

- 3.1 A car is required to transport the Mayor, together with the Mayor's consort and any guest, to be driven by or with the mayoral attendant to various civic and business events to represent the Borough.

- 3.2 The current civic car is owned by the Council and was purchased as new. It is now considered to have reached the end of its useful life as a mayoral car.

- 3.3 The Deputy Mayor occasionally attends events on behalf of the Mayor, where there is more than one event on at the same time and it is considered important that there is civic representation is at both.

On these occasions a second car is hired for the Deputy Mayor's transport. It has been suggested that the current car is kept for the Deputy Mayor, but there is not considered to be sufficient occasions nor, were the number of events at which the Deputy Mayor could attend opened out, is there sufficient budget to employ a support mayoral attendant/driver and maintain the current car to warrant retaining it. The current car also has a resale value. It is therefore not considered that the current Mayor's car is retained.

- 3.4 The replacement mayoral car should be comply to the following outline specification:

- a) An eco-friendly/hybrid vehicle.
- b) Sufficiently prestigious to reflect the civic image of conveying the first person of Wirral Borough.
- c) Sober in colour and design (e.g., black, grey or dark blue)
- d) Rear seats, space and doors to be of sufficient size to easily accommodate passengers entering and exiting in civic regalia (including headwear) when attending events.

- e) The ability to carry three passengers in the rear of the car when required
- f) Driver aids to include adaptive satellite navigation
- g) Air conditioning (climate control) in both the front and rear of the car.
- h) Desirable but not essential will include mobile wi-fi capability and in-car telephony.

3.5 To provide flexibility, SUV type vehicles should be considered alongside traditional saloon models. This approach will ensure that the Council has a wider choice of vehicle and more pricing options available to ensure a better value-for-money outcome, particularly if the car might be used for other purposes at any time.

3.6 The acquisition of a high-specification car for the Mayor's official use will normally involve a significant capital outlay for outright purchase (depending on the specification adopted). The costs associated with leasing are set out below as a result of 'soft market testing'. Actual tender submissions, however, will be evaluated on a whole-life cost basis and best fit against the essential and preferred specification in order to ensure that the most economically advantageous financial option is chosen.

3.7 Costs could potentially be off-set by sponsorship and authority is sought to explore this option. Any business or company sponsoring the Mayor's vehicle should accord with the Council's commercial strategy and not conflict with any of the Council's other policies or stated values.

#### 4.0 FINANCIAL IMPLICATIONS

4.1 The current annual budget available for the mayor's vehicle is £7200. A comparison of funding options is shown in the table below:

##### Comparison of funding options for the acquisition of a mayoral car.

All the options are based on a 5 year deal.

	Cost	Borrowing Annual Cost	Borrowing Total Cost	Leasing Finance Co. Annual Cost	Leasing Finance Co. Total Cost	Car lease Specialist Annual Cost	Car lease Specialist Total Cost
BMW 5 Series 2.0 518 SE Saloon	36,015	7,689	38,446	6,132	30,661	4,560	24,701
BMW 5 Series Saloon 2.0 530 Hybrid	45,755	9,769	48,843	7,791	38,954	5,640	30,545
Jaguar XF 2.0D 163ps Prestige Saloon	33,575	7,168	35,841	5,717	28,584	3,384	18,328
Mercedes C Class Saloon	35,430	7,564	37,822	6,033	30,163	3,864	20,927
Vauxhall Insignia Sports Tourer 2.0 D17 SRI	22,800	4,868	24,339	3,882	19,411	3,612	19,563
Ford Mondeo Hatch 2.0 TDCI 180ps	23,535	5,025	25,124	4,007	20,037	4,128	22,358
Ford Mondeo Saloon 2.0 TiVCT Hybrid Vignale	26,695	5,699	28,497	4,545	22,727	3,792	20,539
Audi A8 Standard Wheel Base	69,385	14,814	74,068	11,814	59,071	9,108	49,335
Audi A8 Long Wheel Base	74,140	15,829	79,144	12,624	63,119	9,780	52,975

### **Borrowing costs**

Borrowing costs are based on the estimated purchase costs. At the end of 5 years the authority would have the option of continuing to use the vehicle at no further cost or sell it and obtain a capital receipt based on its resale value.

### **Finance Company leasing**

These are estimates based on a rental of £170 per £1,000 cost. This has been provided by our leasing advisers based on a recent lease of a mayoral Jaguar. It will fluctuate depending on the model chosen and estimated annual mileage. At the end of the lease we can extend at a reduced price or return the vehicle. Return conditions can be quite onerous and costly depending on the final condition of the vehicle.

### **Car Leasing Specialist**

On the face of it this is the cheapest option. There is an initial 6 month up front rental to account for in the first year. This is reflected in the total cost column above. The costs assume annual mileage of 15,000 and excess mileage would incur additional charges

### **Capital receipts**

Until March 2022 the authority may use any receipts to fund Transformation schemes to produce cost savings or efficiencies. It is not recommended that capital receipts are used in this case.

### **Caveats**

No account is taken of maintenance costs in any of the above options. The 2 leasing options are only estimates.

## **5.0 LEGAL IMPLICATIONS**

- 5.1 It is necessary to ensure that the proposed procurement complies with the Public Contract regulations 2015 and the Wirral Council Procedure rules. Under Section 3 of the Local Government Act 1999 the Council, as best value authority, is under a duty to secure continuous improvement in the way its functions are exercised having regard to a combination of economy, efficiency and effectiveness.

## **6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS**

- 6.1 Staffing will remain constant, being a full-time mayoral attendant supplemented by casual working from additional Council staff.
- 6.2 Preference will be given to European cars

## **7.0 RELEVANT RISKS**

- 7.1 The following risks will be evaluated as part of the tender evaluation exercise:
- Value for money;
  - Compliant lease terms and conditions; and
  - Vehicle fitness for purpose

## **8.0 ENGAGEMENT/CONSULTATION**

The vehicle specification requirements have been discussed with the Mayor and civic officers.

## 9.0 EQUALITY IMPLICATIONS

There are no direct equality implications arising from this report

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