

REPLACEMENT OF MAYOR'S CAR

Head of Service:	Gillian McTaggart, Head of Corporate Assurance
Wards affected:	(All Wards);
Urgent Decision? (yes/no)	No
If yes, reason urgent decision required:	
Appendices (attached):	Appendix 1 – Additional electric and hybrid cars considered.

Summary

The report highlights options available when replacing the civic car used solely by the Mayor and Deputy Mayor.

Recommendation (s)

The Committee is asked to:

- (1) Agree to the recommendation Option 2b, to lease a Skoda Superb Hybrid**
- (2) Agree to the installation of an electric charging point at a cost of £1,500**
- (3) Delegate to the Interim Chief Executive and the Chief Finance Officer, to proceed with the preferred option and agree terms.**

1 Reason for Recommendation

- 1.1 The lease on the Mayor's car is expiring and a replacement is required. The current lease expires at the end of July and a temporary rolling contract is in place until an alternative option is agreed.

2 Background

- 2.1 Historically, the council has a civic car for the use of the Mayor and Deputy Mayor when undertaking official duties.
- 2.2 The current car is a petrol version of a Skoda Superb, which has provided the Mayor with a good, reliable service.

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- 2.3 Owing to the way the lease is structured, the car is not available to be bought outright by the council.

3 Current Arrangements

- 3.1 In 2017, the Council leased a black, 5-door 1.4 TSI Skoda Superb for the sole use of the Mayor and Deputy Mayor.
- 3.2 The lease was for 5-years and expires at the end of July 2022 with no long-term option to extend. However, they have allowed the council to have a rolling lease on a month-by-month basis, although the vehicle will need to be returned to the leasing company if requested.
- 3.3 In terms of use, the vehicle has averaged 3,250 miles per annum. (this excludes reduced mileage during the pandemic)
- 3.4 The Mayor's car is used to undertake civic duties throughout the year and is driven primarily by the Mayor's driver to chauffeur the Mayor as required to and from various duties.
- 3.5 The cost (and budget) for the current car is £3,060 per annum. The budget has remained at this level since April 2013, as hitherto it has adequately covered the car's cost. For the new car lease, applying CPI inflationary increases to the budget since April 2013 gives an uplifted **annual budget of £3,760.**

4 Options

- 4.1 Officers have undertaken market research to formulate a range of possible options for Councillors to consider, that are outlined in table 1 and detailed below.

Option 1 Replace with same model

- 4.2 To replace the current car with a similar Skoda model (Option 1), the monthly cost of a new petrol model would be £304 per month over a five-year lease (£3,650 per annum). This would meet current needs but would not be environmentally friendly in line with Council's priorities in addressing climate change

Option 2a and 2b – Hybrid Models

- 4.3 An alternative option would be a hybrid version (where, considering the low mileage carried out for most of the Mayors journeys, the electric motor would be utilised. The cheapest option available is a Hyundai Kona (Option 2a) which would cost £228 per month over a five-year lease, so £2,736 per annum which is within the current budget. However, this car is a subcompact SUV and may not meet our needs in terms of space and would present some practical considerations.

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- 4.4 The Skoda Superb Hybrid (Option 2b) would also be a suitable alternative as it would be affordable within the uplifted budget of £3,760. This would be similar in size to current model and is a plug-in hybrid model. This model provides a practical electric range of 30 miles from its 13kw battery. Which would cover the majority of local short journeys. It has good efficiency, and is considered a good all-rounder. It would also provide same room and comfort as current model. This is the recommended option

Option 3 Electric Models

- 4.5 If the Council were to look at a fully electric model (Option 3), the cheapest available would be a Nissan Leaf (Option 3a) which would be within budget at £257 per month over a five-year lease. This would provide benefits in being environmentally friendly but again this is a smaller car than the current Mayor's car and would present some practical considerations.
- 4.5 A mid-range electric hatchback which could meet the practical constraints of the smaller cars, such as a Hyundai Ioniq 5 (Option 3b) would take into account the current cost of fuel and maintenance savings against the charging and maintenance costs of the electric/hybrid vehicle.
- 4.6 Appendix 1 includes some further pricing details on alternative models of both Option 2 (Hybrid) and Option 3 (Electric) for the Committee to review should they wish to consider alternative models.
- 4.7 In addition to the leasing costs, consideration may be given to a charging point which would be a one-off cost of approximately £1,500. However, there are charging points in the vicinity of the Town Hall which could be utilised which would save that cost. In addition, the Council will be installing new electric charging points in the Town Hall Car Park that could be utilised subject to availability and a charge.
- 4.8 Options 1-4 are all leasing options. Leasing offers the council the benefit of MOT and servicing costs being included within the monthly charge.
- 4.9 The civic car and the Mayor's driver are insured under the council fleet insurance policy.
- 4.10 Options 2 and 3 would also reduce running costs in terms of fuel which has recently had significant price increases although the cost of electricity to charge cars is also increasing. The estimated annual saving in swapping to electric is £480 p.a. based on current prices.
- 4.11 The leasing company has provided the estimate lead in times for when a car is ordered although these are subject to market conditions.

Option 4

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- 4.11 Option 4 places heavy emphasis on the use of taxis and public transport. It is estimated to cost between up to £800 pcm depending on the engagements undertaken and would rely heavily on third party resilience and availability. There would be additional administrative costs in arranging and booking transport. Should Members wish to explore this option there would need to be a wider review of the impact on the Mayors driver and the ceremonial duties undertaken.

Option 5

- 4.11 The Council could purchase a car outright and a cost of £40,000 is based on the Hyundai model and £43,000 for the Skoda Superb but there are a range of cars on the market. The disadvantages are that it would require significant capital investment for which funding would need to be identified, and there would be additional annual costs for servicing and maintenance. The car could be kept for a longer period however there could be additional costs as the car gets older. Owing to the significant capital sum and additional future maintenance/servicing costs, this option is not recommended

Table 1

		Fuel Type	Annual Costs of Leasing	Monthly Costs 5-year lease	Benefits	Drawbacks	Lead Time (months)
Current Mayor's Car							
	Mayor's Car Skoda	Petrol	£3,060 (current budget)	£255	Not applicable		
Future Options							
Lease	Option 1: Replace with same Model: Superb HB 1.5 TSI SE Petrol 5-door	Petrol	£3,648	£304	Good all-round car. Within budget	Slightly above budget and not aligned to being carbon neutral	3 *
	Option 2a: Hyundai Kona HB 1.6 GDi SE Connect 5-door DCT	Hybrid	£2,736	£228	Good for Town Within budget	Poor rearward visibility and space at the back	3 *
	Option 2b: Skoda Superb Hybrid	Hybrid	£3,636	£303	Good coverage in electric mode good efficiency good size for comfort	Good all-round car	3*

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					Within uplifted budget		
	Option 3a: Nissan Leaf HB 110 Kw 5-door Automatic	Electric	£3,084	£257	Refined with Strong Performance Recommended by Which Within Budget	Limited Range at 180 Miles and limited space at the back	6*
	Option 3b Hyundai Ioniq 5 125kw SE Connect 58 kwh 5-door Automatic	Electric	£3,948	£329	Good all-round car with reasonable inner space at the front and back for passengers again recommended by Which as a best buy	Above Budget	6*
Local public transport /	Option 4 Third Party Considerations: Local Taxis		£10,000	£200 per week – up to £800 pcm	Limited	Reliance on third party & extra admin	
Purchase	Option 5 – Outright Purchase of an electric Car such as – Hyundai Ioniq 5 125kw SE Connect 58 kwh – 5 Dr Auto		£40,000 – Capital Cost	Asset Depreciation in line with Finance policies	Asset owned by the council	Additional maintenance costs of ownership	6*

* this is subject to confirmation once ordered and is subject to change

5 Risk Assessment

Legal or other duties

5.1 Equality Impact Assessment

5.1.1 There are no equality impacts associated with the contents of this report.

5.2 Crime & Disorder

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5.2.1 There are no specific Crime and Disorder considerations associated with this report.

5.3 Safeguarding

5.3.1 There are no specific safeguarding considerations associated with this report.

5.4 Dependencies

5.4.1 There are no specific dependencies associated with this report.

5.5 Other

5.5.1 The lead time for a replacement vehicle is highlighted within Table 1 with the minimum timescale for delivery being 3 months and more likely being 6 months upwards.

5.5.2 In the interim, the Council would continue to lease the current vehicle on a monthly rolling basis. The cost of this would remain consistent at £255 per month. There is considerable risk that the leasing company could recall the vehicle at short notice leaving the council without a civic car.

6 Financial Implications

6.1 3.4 The cost (and budget) for the current car is £3,060 per annum. The budget has remained at this level since April 2013, as hitherto it has adequately covered the car's cost. For the new car lease, applying CPI inflationary increases to the budget since April 2013 gives an uplifted annual budget of £3,760; the £700 budget increase can be funded from the Council's budget for contractual inflation.

6.2 The mileage undertaken by the Mayor's car is on average 3,000 miles per annum and with an assumed 40 miles to the gallon of petrol, this would cost approximately £600 per annum. Maintenance costs are included within the lease costs however if tyres, brakes etc required changing then this would be an additional cost. For the financial year ending 2021/2022 these costs amounted £414.

7.3 For an electric car, if Members decide to invest in a designated electric charging point this would attract a one-off cost of up to approximately £1,500. The cost of a typical charge for a 200-mile range would be in the region of £8 per charge which if applied to the current average annual mileage would be £120 per annum. Maintenance costs are included in the lease costs, except parts that incur wear and tear. Therefore, by having an electric vehicle the overall fuel related costs would be on average £480 less per annum compared to a petrol vehicle, meaning a payback period for the initial charging point investment of just over 3 years.

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- 7.4 The initial £1,500 investment could be funded from the Corporate Projects Reserve (which holds an uncommitted balance of £1.502m), with the reserve then replenished over the subsequent c.3 year period through the revenue savings achieved.
- 6.3 The financial implications of the civic car will be dependent on the option chosen.
- 6.4 **Section 151 Officer's comments:** The budget for the car lease is £3,760 per annum. Should an electric vehicle charge point be required at a one-off cost of up to £1,500, this investment could be funded from the Corporate Projects Reserve, with the reserve then replenished over the subsequent c.3 year period through the revenue savings achieved.

7 Legal Implications

- 7.1 **Legal Officer's comments:** There are no legal implications for the purposes of this report.

8 Policies, Plans & Partnerships

- 8.1 **Council's Key Priorities:** The following Key Priorities are engaged:
 - 8.1.1 Green and Vibrant
 - 8.1.2 Effective Council
- 8.2 **Service Plans:** The matter is not included within the current Service Delivery Plan.
- 8.3 **Climate & Environmental Impact of recommendations:**
 - 8.3.1 The Council has committed to tackling Climate Change and address its own carbon emissions. The Council has an ambition to achieve carbon neutrality by 2035 and adopted a Climate Change Action Plan in 2020. The plan includes a specific action to reduce emissions from the Council's fleet and transition all vehicles to electric or low carbon options. By adopting an electric vehicle, the Council will be supporting this action and the wider commitment.
- 8.4 **Sustainability Policy & Community Safety Implications:**
 - 8.4.1 There are no specific sustainability and community safety implications associated with this report.
- 8.5 **Partnerships:**
 - 8.5.1 There are no specific partnership implications associated with this report.

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9 Background papers

9.1 The documents referred to in compiling this report are as follows:

Previous reports:

- Item 4; Mayoral Car – S&R 15th November 2011
- Item 7; Mayoral Car – S&R 28th September 2010

Other papers:

- None