



## Belfast City Council

<b>Report to:</b>	Policy and Resources Committee
<b>Subject:</b>	Replacement of Lord Mayor's Vehicle
<b>Date:</b>	Friday, 20 <sup>th</sup> June, 2008
<b>Reporting Officer:</b>	Mr. Liam Steele, Head of Committee and Members' Services (ext. 6325)
<b>Contact Officer:</b>	Ms. Sandra Robinson, Lord Mayor's Principal Officer (ext. 6244)

### Relevant Background Information

The current Lord Mayor's vehicle was last replaced in 2005 and was due to be replaced after three years as agreed by the Policy and Resources Committee on 16<sup>th</sup> November, 2001. However, when at the meeting of the Strategic Policy and Resources Committee on 23<sup>rd</sup> May authority was sought to invite tenders to replace the car, the Committee requested information on the cost efficiency of renewing the vehicle after three years, five years and ten years.

### Key Issues

#### Capital Cost

The following table sets out the approximate net capital costs of renewing the vehicle every three years, five years and ten years when purchasing over a ten year period.

Term	No of Purchases over 10yr period	Cost	Trade-in value	Cost of extended warranty	Approximate Net Cost
3 years	3	£161,634	£61,421	N/A	£100,213
5 years	2	£107,756	£26,939	£4,000	£84,817
10 years	1	£53,878	£0	£7,000	£60,878

#### Renewing on a Ten-Year basis

The annual net saving when renewing the vehicle every ten years would be £4,000. However, retaining a vehicle for this length of time also brings a range of other factors into play, most notably:-

1. higher servicing costs;
2. the increased likelihood of unforeseen breakdown, resulting in increased vehicle 'off the road' time with the heightened possibility of potential embarrassment for the Civic Dignitaries;
3. the increased difficulty in sourcing parts which may have to be obtained directly from the manufacturers, again leading to the potential of increased vehicle 'off the road' time;
4. less able to respond to emerging environmental technologies and the ability of the

Council to demonstrate civic leadership by embracing these technologies; *and*  
5. the adverse perception of the Council caused by the use of ageing or discontinued models.

Renewing on a Five-Year basis

The annual net saving when renewing the vehicle every five years would be £1,500. However, it is arguable that this modest saving would not compensate for the benefits associated with renewing the vehicle every three years. This would include the flexibility to adopt alternative fuels and new technologies as they emerge, reducing the risk of vehicle 'off the road' time and ensuring that the vehicle compliments the Council's image and reflects the importance and status of the office of Lord Mayor of the City of Belfast.

**Resource Implications**

Ten year cycle

An annual saving of approximately £4,000.

Five year cycle

An annual saving of approximately £1,500.

**Recommendations**

To approve the invitation of tenders, through public advertisement, for the replacement of the Lord Mayor's vehicle on a similar, though updated, specification to the current car and for the vehicle to be renewed every three years thereafter.

**Key to Abbreviations**

Not applicable

**Documents Attached**

None