

**Manchester City Council  
Report for Resolution**

**Report To:** Resources and Governance Overview and Scrutiny  
Committee – 12 November 2009

**Subject:** Proposed renewal of the contract for external provision of a  
chauffeur driven car

**Report of:** City Treasurer

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**Summary**

To appraise Members of the use of the existing contract for the external provision of a chauffeur driven car and for the City Treasurer to advise on the appropriateness of the proposed renewal of the contract as requested by the Council on 7 October.

**Recommendations**

To endorse the proposed renewal of the contract for the external provision of a chauffeur driven car on the basis that the provision provides significant savings against the previous in-house provision and delivers overall value for money to the Council.

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**Wards Affected:** None.

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**Contact Officers:**

Name: Richard Paver  
Position: City Treasurer  
Telephone: 0161 234 3564  
E-mail: r.paver@manchester.gov.uk

Name: Ian Brown  
Position: Head of Corporate Procurement  
Telephone: 0161 234 3265  
E-mail: i.brown@manchester.gov.uk

Name: Marilyn McGuinness  
Position: Assistant to Chief Executive  
Telephone: 0161 234 3324  
E-mail: m.mcguinness@manchester.gov.uk

**Background documents (available for public inspection):**

None.

## 1.0 Introduction

- 1.1 The current contract for the external provision of this service started in October 2005 and was for the four year period ending on 30 September 2009.
- 1.2 Prior to this contract being implemented, a full time driver was employed by the Council using an executive car provided through Fleet Services.
- 1.3 In 2005 the Leader of the Council instigated a review of the in-house provision as the car was not in full-time use and the provision was not considered to be delivering value for money.
- 1.4 Fleet Services undertook the review and concluded that the vehicle was under utilised and a contract with an external provider, paying only for trips undertaken, would provide much greater value for money by improving the quality of service and reducing costs.
- 1.5 The lease on the pool car ended in October 2005 and a tender was issued resulting in a contract being placed for the external provision of the service.
- 1.6 It should also be noted that the service has also been procured from an alternative provider since early 2008 due to problems being encountered with the contract holder.

## 2.0 Usage of the Service

- 2.1 The advertisement placed on the web site for this service was incorrect in that it referred to the service being for the Leader of the Council and occasional use by the Lord Mayor.
- 2.2 The service has been used by a range of areas during the last 12 months. During the twelve months from 1 September 2008 usage was as follows;-

Lord Mayor's office*	30 occasions
The Chief Executive's office**	36 occasions
The Leader's office	18 occasions
Executive Members	8 occasions
Events Team/International Team	3 occasions
	<b>95 occasions</b>

\*This includes a period when the service was used to provide attendant/driver during the absence of the Lord Mayor's attendant in May/June 2009.

\*\*This includes a number of journeys to other North West Local Authorities by the Chief Executive in the role of Regional Returning Officer in the period leading up to the European Elections. All such costs were funded independently from the City Council.

- 2.3 A number of the above journeys were shared between Officers and Members where circumstances allowed and it was appropriate to the occasion e.g., the

Chief Executive and Leader have shared journeys on 6 occasions in the period. A further example is the Deputy Leader sharing the journey with an Officer attending the monthly NWDA meetings outside of Manchester to venues where public transport is not a suitable option.

### **3.0 Cost Comparison**

3.1 Spend for external provision since October 2005 has averaged £10,780 per annum with an average cost of around £120.00 per journey.

3.2 Comparison to in-house provision  
The cost of providing a vehicle, driver (including overheads and overtime) is circa £40,000 per annum with an average cost of around £420.00 per journey.

3.3 The external provision has delivered a saving of £29,000 per annum (£87,000 over a 3 year period) and clearly represents value for money to the Council compared to the in-house provision.

### **4.0 Key Reasons for the Use of the Chauffeur Driven Service**

4.1 The service is used only when appropriate which is demonstrated by the relatively low use of the service with each of the main users only accessing the service, on average, two or three times a month.

4.2 The key reasons for using the service are summarised below:-

- To cover civic functions.
- Generally to undertake appropriate journeys outside of the City.
- For reliability where a number of appointments have been made in different locations within the City to tight timescales.
- The service includes planning routes, communication of delays and rescheduling of appointments where necessary.
- To enable briefings/confidential discussions to take place during the journey, maximising the use of Senior Officers' and Members' time.

### **5.0 Summary**

5.1 Based on the usage and costing detail in this report, the City Treasurer can confirm that it is appropriate to renew the contract for the external provision of the chauffeur driven car to ensure that value for money continues to be delivered through this contract arrangement.