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Document / Report #79

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Title	Tractor Replacement - April 2025
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1. Purpose

1. The purpose of the report is to provide an update on the Council's tractor and provide solutions for a replacement.

2. Background

1. The Council's tractor is used by the Operations Team to maintain the green spaces at Maes y Dre. It is now reaching 25 years old and finding replacement parts is impossible. The door is currently missing due to a vandalism incident some years previous and exhaust fumes enter the cab.
2. The current ride on mower is on a finance agreement with John Deere Finance and has one payment remaining.

3. Advice

1. The Operations Team has sourced a quotation from Charlies AG & Turf for a new replaement John Deere 3046R compact utility tractor which includes a rear mounted trimax mower bed. A demo was given by Charlies to the Operations Team and Town Clerk and the new replacement outperformed the current tractor, which would reduce staff time in setup and operations.
2. The cost of the tractor is £29,437 and the mower bed is £6,327 making a total price of £35,764 excluding VAT.
3. Charlies have set out the financial solutions for purchase which include:
    1. 5 year loan with John Deere Finance based on a 7.40% interest rate with a £15,000 deposit. This would result in a excluding VAT monthly figure of £346.91.
    2. 5 year loan with John Deere Finance based on a 7.40% interest rate with a £10,000 deposit. This would result in a excluding VAT monthly figure of £430.54.
    3. 5 year loan with John Deere Finance based on a 7.40% interest rate with a £3,000 deposit. This would result in a excluding VAT monthly figure of £547.40.
4. The existing tractor can be sold for around £4,500 and this money can be used for a deposit or to offset monthly payments on a replacement.

5. An alternative funding solution in the form of a loan from Burgesses' Land Trust could be pursued. The details of which include:
    1. 3 year loan with BLT based on a 6.00% interest rate for £40,000. This would result in a yearly fee of £14,000 in year 1 with £2,400 in interest, £13,000 in year 2 with £1,560 in interest and £14,000 in year 3 with £780 in interest.

6. Charlies have also confirmed that if the Council was to pay the full amount then they would offer £500 in tools and parts for maintenance.

4. Resource Implications

1. The RFO has recommended outright purchase using a loan from Burgesses' Land Trust. The specific amount of repayments per month would vary based on the overall sum loaned to the Council and the monies from the sale of the existing tractor could be used to offset the loan amount, or assist towards the monthly payments.

2. The Town Clerk has commented that this expenditure is unplanned and was not budgeted for as part of the 2025/26 Budget so the repayment monies would have to come from an underspend elsewhere. It is also worth noting that the BLT have commented that due to market volitility if the loan was to be granted for £40,000 and returns on investment go down, then it may not be possible to get Objective One monies for the year.

5. Recommendation

1. To purchase the replacement tractor from Charlies AG & Turf using the loan obtained via the Burgesses' Land Trust.

6. Decision

1. To resolve to adopt the recommendations as above.