

**WEST SWINDON PARISH COUNCIL****Recommendation – Finance & Staffing Committee  
Summary from Services Working Party & Finance & Staffing Committee  
Machinery****1. Detail:**

- 1.1 The Services Working Party members are Cllr Mike Burtenshaw, Cllr Nigel Gibbons, Cllr Geoff Gould, and, Cllr Caryl Sydney Smith. The group has been meeting regularly to manage the transition from contracted services for street cleaning and grounds maintenance to delivering both services in house.
- 1.2 At previous meetings of Council and Finance & Staffing Committee, the Working Party has recommended the acquisition of
- **3 Rotary mowers**
  - **1 Cylinder triple mower** only if secured through the SBC sealed bid process, otherwise consideration to be given to additional purchase of a rotary mower
  - **1 Tractor plus tractor side arm and tractor mower**
  - **1 five gang mower** only if secured through the SBC sealed bid process
  - **1 trailer**
  - **1 shredder**
- 1.3 The Services Working Party have proposed sealed bids to be submitted to Swindon Borough Council as follows:
- one cylinder mower – bid £1100.00
  - one five gang mower – bid £5,100.00
- 1.4 The Services Working Party has invited companies to submit tenders for prices on the machinery set out above. Based on the prices returned to date, the Services Working Party has determined that an overall budget of £152,000 is required

<i>ROTARY X3</i>	£54,480.00	£65,376.00
<i>TRACTOR</i>	£34,250.00	£41,100.00
<i>SIDE ARM</i>	£15,125.00	£18,150.00
<i>MOWER</i>	£22,750.00	£27,300.00
<i>total:</i>	£126,605.00	<b>£151,926.00</b>

*Financial Implications*


- 1.5 The Services Working Party has shared costings for different financial options to acquire the machinery. As a result, in agreement with the Finance & Staffing Committee on 08 June 2020, it is recommended that 50% of the costs set out in 1.4 are taken from the revenue budget £76,000 as there is currently an allocated budget of £100,000 for

machinery and the other 50% is secured through a public works loan. If the loan is sought for £76,000 and is payable over a three year period, it covers the minimum life expectancy of the machinery.

- 1.6 Repayment amounts are calculated on the assumption that the loan will run to maturity and normally a loan is repayable only by the regular payments due under the agreed terms, It is possible to request early repayment however, breakage costs or a premium will be applied. Early repayments will not be accepted for loans that have been in existence for less than one year or fixed rate loans that have less than one year to maturity.
- 1.7 Repayments would be approximately £25,000 - £26,000 per annum and would enable the Parish Council to stay within the £100,000 existing revenue budget allocation for the current year. It will be contained within the existing finances and will not impact on this year's or next year's Precept demand.

Example of payments (£72,000)


Data Date: 10-Jun-2020



**PWLB FIXED RATE LOANS  
ESTIMATED REPAYMENT COSTS**

Amount of Advance: 72,000.00

Period (years)	Annuity			EIP			
	Rate %	½ Yearly Cost (£)	Total Cost (£)	Rate %	Initial ½ Yearly Costs (£)	Reduces by each ½ year (£)	Total Cost (£)
1 year	-	0.00	0.00	-	0.00	0.00	0.00
Over 1 not over 1½	-	0.00	0.00	-	0.00	0.00	0.00
Over 1½ not over 2	2.03	18,459.06	73,836.24	2.03	18,730.80	182.70	73,827.00
Over 2 not over 2½	2.03	14,841.43	74,207.15	2.03	15,130.80	146.16	74,192.40
Over 2½ not over 3	2.02	12,427.75	74,566.50	2.02	12,727.20	121.20	74,545.20



**PWLB FIXED RATE LOANS  
ESTIMATED REPAYMENT COSTS**

Amount of Advance: 76,000.00

Period (years)	Annuity			EIP			
	Rate %	½ Yearly Cost (£)	Total Cost (£)	Rate %	Initial ½ Yearly Costs (£)	Reduces by each ½ year (£)	Total Cost (£)
1 year	-	0.00	0.00	-	0.00	0.00	0.00
Over 1 not over 1½	-	0.00	0.00	-	0.00	0.00	0.00
Over 1½ not over 2	2.00	19,477.36	77,909.44	2.00	19,760.00	190.00	77,900.00
Over 2 not over 2½	2.00	15,659.02	78,295.10	2.00	15,960.00	152.00	78,280.00
Over 2½ not over 3	1.99	13,111.42	78,668.52	1.99	13,422.87	126.03	78,646.70

## **2. Recommendations**

- 2.1 That the Parish Manager is authorised to procure the machinery set out in the report based on costs set out in 1.4 up to a value of £152,000.00
- 2.2 That the Parish Manager is authorised to apply for a public works loan up to a value of £76,000 and repayable over a three year period to fund 50% of the expenditure approved above.

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