

# Report to: Assets and Operations Committee

**Report Ref:** A1903  
**Meeting Date:** 13<sup>th</sup> June 2019  
**Agenda Item:** 9  
**Prepared By:** Town Clerk



**Subject:** Council Van Options

---

## 1.0 BACKGROUND

The Town Council has leased a van since 2015 for use by the Town Ranger in the fulfilment of their duties. The 2015 registration van was initially leased for three years and was extended for a further 12 months in 2018. The leasing company had stated that it is normally possible to extend a lease for a total of five years which had been the intention. However, when this was requested by the leasing company the lender determined that it would not extend the lease.

The leased van is a Ford Transit Custom with tow bar and an internal 240v electrical socket. The lease is funder maintained meaning the Town Council only pays for fuel and insurance and all other costs (MOT, repairs, servicing) are covered under the leasing payments. The mileage over the last four years is just over £12k.

## 2.0 OPTIONS

There are two options, purchasing the existing van or leasing a new van. To lease a new van the livery on the existing van will have to be removed and new livery applied to a new van.

A new 36-month lease for a new Ford Transit Custom would be £1,784 up front and 35 monthly payments of £272.16. In addition, there would be a cost of £825 the removal of the existing livery and application of new livery. Over the initial term (2019-2022) the total cost would be £12,134.60 and if extended a further 12 months would be £15,400.52.

The purchase price for the existing van is £12,530. This includes a 12-month guarantee. The cost of an annual MOT and full service would be £250 plus any parts required making total known costs over a three-year period (2019-2022) £13,230<sup>1</sup> or £13,280 over four years.

If purchasing the van, the council would have the option to sell the van in the future. Based on current AutoTrader listings, the council could reasonably expect to sell the van for in excess of £5,000 in four years' time (based on current listings for 8-10 year-old vans with mileage under 50k). The van retaining value makes the purchase of the van more economical in the longer term. Whilst there is the liability for any repairs, new tyres etc given the low mileage this is not anticipated to be excessive.

---

<sup>1</sup> The van has just had its 2019-20 MOT and service



### **3.0 FINANCIAL IMPLICATIONS**

The vehicle costs budget has £2,744 available for the current financial year. The current financial year costs for a new lease would be £5,058, exceeding the budget by £2,314.

The purchase cost is well in excess of the committee budget, however the council holds a capital reserve which could be utilised to provide the £9,786 shortfall.

### **4.0 DECISIONS REQUIRED**

The committee should either:

- a) Resolve to enter into a new lease, noting it will exceed the current year budget and advising Council of this fact at its next meeting.
- b) Resolve to purchase the van, recommending to Council that it approve the purchase funding the shortfall from the capital reserve.

Under option b an extraordinary meeting of council will be convened to consider the recommendation.



LOCAL COUNCIL  
AWARD SCHEME  
QUALITY GOLD