

REPORT TO FINANCE & RESOURCES COMMITTEE**DISPOSAL OF PLANT & MACHINERY**

From 1 April this year when Larkstel takes over the grounds maintenance contract all machinery will be provided by them. The Parish Council therefore needs to dispose of the 3 items of plant currently on lease and obtain the best open market price.

The leases on the tractor and large grass cutter end in April 2022 when no further payment is due and no termination penalty applicable.

The 5 year lease with Hitachi Capital (UK) Ltd for the Iseki ride-on mower was taken out on 14 August 2020 so has 3 more years to run. Each lease payment is £4,663.97 resulting in an overall borrowing of £23,319.85. Two payments totalling £9,327.94 have been paid to date leaving an outstanding balance of £13,991.91 for this item of machinery.

To terminate the Lease with Hitachi the Parish Council would be required to pay an early termination fee of £16,099.32 which includes an early termination penalty.

Quotes have been obtained for all 3 items of equipment as follows:

Equipment	ESE Groundcare	Hunt Forest Group	Larkstel	Indicative on-line price
John Deere Tractor	£12,000	£13,000	£13,600	£10,000
Wessex Mower	£1,250	£1,400	£1,400	£3,000
Iseki Mower	£8,000	-	£8,500	£13,000 - £15,600
Total	£21,250	£14,400	£23,500	£26 -£28,600

Taking the Highest firm bid (Larkstel) of £23,500 and deducting the termination fee of £16,099.32 for the Iseki Mower the residual "profit" is £7,400.68.

Due to the fact the time clock on the Iseki that records the number of hours used is not working, it is unlikely this would command as high a price as we might expect for its age. It is therefore recommended the Parish Council accepts the Larkstel bid.