

RAMSEY TOWN COMMISSIONERS

PETITION REPORT ACQUISITION OF SIX NEW VEHICLES UNDER A 5-YEAR FLEET REPLACEMENT PROGRAMME

The Ramsey Town Commissioners have submitted a petition to the Department of Infrastructure for approval under Section 51 of the Local Government Act 1985 to borrow a provisional sum not exceeding £254,320 repayable within a period not exceeding 5 years to defray the estimated cost of acquisition of:

1. Two electric vans at a total cost of	£70,400
2. One diesel van at a cost of	£35,200
3. Two diesel tippers with tail lifts at a total cost of	£83,820
4. One diesel tractor at a cost of	£64,900
Total cost	£254,320

Confirmed prices will be obtained following approval to borrow money for the purchase. It should be noted that the prices may go above that quoted depending on the length of time taken to consider the petition, and that standard quotations are only supplied and guaranteed for 30 days. The impact of wars on manufacturing processes and raw materials also has a negative impact on delivery times and vehicle costs.

In the UK local authorities and organisations benefit from EV grants of up to £5,000 per vehicle, something that the Island does not benefit from.

The Commission currently has 3 electric vehicles within its fleet and are looking to replace like for like, so two electric vehicles are included in this year's replacement programme.

The benefits of having a replacement programme defined by the age, mileage or condition of vehicles are:

- Lower maintenance costs.
- Improved reliability.
- Better safety with new and emerging safety technology.
- Increased fuel efficiency.
- Environmental benefits.
- Predictable budgeting, including a better return on asset at resale to offset the purchase of a new vehicle.
- Increased standard of vehicles generally on island.

The borrowing facility would be provided by HSBC under the Local Authority Borrowing Agreement, with averaged annual payments estimated at £56,756 being a charge against the rate fund. Budgetary provision for the borrowing has been made within the annual rate set by the authority for the 2026-27 financial year.

At a meeting held on Wednesday 21st January 2026 the Ramsey Town Commissioners, as part of their 2026-27 budget planning agreed to purchase the following:

1. The purchase of six new vehicles to replace six of our existing fleet that have reached the age of replacement as per our replacement programme as detailed below:
 - PMN-196-M purchased July 2021 – original purchase price £27,223 - Electric
 - PMN-197-M purchased July 2021 – original purchase price £27,223 - Electric
 - PMN-768-T purchased Jan 2022 – original purchase price £21,564
 - PMN-976-R purchased Dec 2021 – original purchase price ££21,564

- PMN-977-R purchased Dec 2021 – original purchase price £24,504
- Tractor purchased Jan 2011 – original purchase price £28,000

The net book value of the vehicles as of 31.03.2026 was £38,249 with the annual depreciation across all vehicles annually being £17,813.

The Commission believe that in order to fulfil the set 5-year replacement plan external financing (either bank borrowing, hire purchase or finance leasing) would be necessary during each financial year of the plan to enable the acquisition of the various vehicles. Furthermore, the Commission feel that at the conclusion of this 5-year replacement plan the Commission will ultimately be in a position whereby future replacement acquisitions (subject to unexpected and major price increases) will be able to be acquired from reserves and auction proceeds.

Various methods of financing over a 5-year period were investigated and these include:

- A finance leasing agreement – total repayments calculated at £309,575.
- A fixed rate hire purchase agreement – total repayments calculated at £329,545.
- HSBC variable loan under the Local Authority Borrowing Agreement – total repayments calculated at £283,780 (but being subject to changes in the Base Lending Rate).

The calculations suggest that the HSBC variable loan under the Local Authority Borrowing Agreement is the financing option which is the most suitable and cost-effective method.

If the borrowing facility were to be provided by HSBC under the Local Authority Borrowing Agreement, averaged annual repayments are calculated at £56,756 (or the quarterly equivalent of £14,189) with these being a charge against the rate fund and based upon a recent 3-month SONIA rate of 3.7267% plus a Margin of 0.65% (total 4.3767%). Budgetary provision for the borrowing has been made within the rate set by the authority for the 2026-27 financial year.

17th April 2026

H. S. Bevan
Deputy Town Clerk.



RAMSEY TOWN COMMISSIONERS

Local Government Act 1985

Ramsey Town Commissioners are petitioning the Department of Infrastructure seeking consent under Section 51 of the Local Government Act 1985 to:

- Purchase six new vehicles electric and diesel – provisional cost £254,320.

Further details of the petition may be obtained from the Town Clerk's Office, Ramsey Town Hall or from the Commission's website www.ramsey.gov.im.

The petition will be considered by the Department of Infrastructure and any views on the proposal should be submitted to the Petitions' Officer, Local Government Unit, Management Services Division, Department of Infrastructure, Sea Terminal Building, Douglas, IM1 2RF, no later than noon on Friday, 1st May, 2026.

Dated this 17th April, 2026.

H. S. Bevan
Deputy Town Clerk.