Agenda item 7

For decision – To approve drawing down up to £200k of the previously agreed £400k PWLB loan for the Frome skatepark project, to enable the contract for the Skatepark works to begin.

Author: Rob Holden, Environment Manager

Summary (incl. recommendations)

Council approved the Skatepark project on 27 Aug 2026 with provision for a PWLB to cover funding shortfall, subject to later council approval. One year on the success of the fundraising efforts means that the amount that is still left to raise has now halved: at most the shortfall will be £200k.

The recommendation is to approve draw down of the PWLB loan of up to £200k, with exact sum to be drawn down potentially lower dependent on final details of funding shortfall. The maximum annual loan repayments over a 15 year term at today's interest rates would be £19,973 - 5.98% at 25/08/26. This would be funded from budget code 700-7949

Background

On 27 August 2025, the Council approved a £400,000 project to build a new skatepark. The project was expected to be funded through fundraising, with a PWLB loan agreed to cover any funding gap, subject to Council approval.

One year on, the main fundraising income has been secured, while some other funding sources are still being finalised. The total so far raised is set to be more than half the total. This means that the remaining funding shortfall will be less than £200,000.

Approving drawing down of the PWLB loan up to £200,000 would allow the Council to sign the construction contract and proceed with the project. The actual loan amount drawn down will depend on the final fundraising total and will not exceed £200,000. The annual repayment costs of the maximum £200k loan amount over a 15 year period, at today's level of interest, would be £20k pa (£19,973 pa) at an interest rate (at 25/08/26) of 5.98%.

Although the construction timetable will depend on a range of factors (including the availability in the contractor's schedule) and cannot yet be confirmed, signing the contract would enable the next step of confirming the works schedule and construction start date which could potentially be January 2027, with possible completion in March 2027.

Other options considered	All fundraising options are being explored
Key considerations for the Council	£200k (maximum) loan over 15 years
Consultation and feedback	Each step of the project (location review, design review, inclusivity review) has been preceded by extensive community consultation
Links to Council Plan and Medium-Term Financial Plan	Aim 4 - Ensure Frome's physical infrastructure and assets support future growth and community needs
Financial and Risk Implications	Annual repayments for a £200k loan over a 15 year term costs £19,973 pa at 5.98% interest (quoted rate)
Legal / HR Implications	Committed to full repayment of loan plus 15 years of interest
Equalities Implications	Extensive consultation and design works to maximise inclusivity for all groups
Community Safety Implications	Compliance with all site management and building regulations
Climate Change and Sustainability Implications	Contractor has a detailed policy on minimising carbon footprint
Health and Safety Implications	Compliance with all site management and building regulations
Constitutional Requirements	Loan to be agreed by Council
Background Papers	As per Council meeting 27 Aug 2025
Report Sign-Off	Peter Wheelhouse, Sarah Williams 02/09/26

Recommendation

Approve draw down of the PWLB loan of up to £200k, with exact sum to be drawn down potentially lower dependent on final details of funding shortfall. The maximum annual loan repayments over a 15 year term at today's interest rates would be £19,973 - 5.98% at 25/08/26 coming from budget code 700-7949