



## WAREHAM TOWN COUNCIL – REPORT

**Meeting Date: 26 August 2025**

### Agenda Item: 13

<b>Subject:</b>	PWLB Loan Application for Town Museum																																																
<b>Prepared by:</b>	Nicola Gray Town Clerk & RFO and Sam Dickins, Deputy Clerk																																																
<b>Purpose of Report:</b>	To consider the response to the public consultation and resolve any next steps, including possible loan resolution.																																																
<b>Background:</b>	<p>The Council entered an option to purchase 2 North Street with a non-refundable deposit of £90,350 paid in March 2025, and completion must be before 18 March 2026 (see 3 March 2025 Council minutes). Funding by way of Public Works Loan for the purchase was agreed.</p> <p>A public consultation was required to satisfy the Public Works Loan application and to establish the appetite of the electorate in Wareham given it would be their Council Tax which would be impacted.</p>																																																
<b>Key Points:</b>	<p>Consultation formally commenced on 16 June 2025 and ran until 19 August 2025. A total of 254 engagements which are broken down in Appendix A.</p> <p>Council is required to consider the responses and decide whether it wishes to proceed with a PWLB loan application. It should be noted that the deposit monies already paid of £90,350 would be lost if the decision is made to not proceed.</p> <p>Both options of the £750,000 to cover the refurbishment of 3 East Street and £605,000 to only complete the purchase of 2 North Street – which would require funds to be obtained elsewhere for the refurbishment – have been given as options for Council to consider.</p> <p>A loan of £750,000 incurs interest rates on 19/08/2025 as follows:</p> <table><tr><th>Term (in years)</th><th>Interest Rate %</th><th>Initial yearly cost</th><th>Reducing Interest amount per annum</th><th>Total payable 1<sup>st</sup> year</th><th>Total Loan Repayable</th></tr><tr><td>20</td><td>5.80</td><td>40,042.68</td><td>530.49</td><td>80,085.36</td><td>1,206,750</td></tr><tr><td>25</td><td>6.03</td><td>37,318.38</td><td>443.38</td><td>74,636.76</td><td>1,337,925</td></tr><tr><td>30</td><td>6.02</td><td>35,545.08</td><td>381.15</td><td>71090.16</td><td>1,470,750</td></tr><tr><td>35</td><td>6.33</td><td>34,300.88</td><td>334.33</td><td>68,601.76</td><td>1,604,550</td></tr><tr><td>40</td><td>6.42</td><td>33,334.26</td><td>297.22</td><td>66,668.52</td><td>1,737,075</td></tr><tr><td>45</td><td>6.48</td><td>32,541.76</td><td>267.03</td><td>65,083.52</td><td>1,867,800</td></tr><tr><td>50</td><td>6.52</td><td>31,950</td><td>244.50</td><td>63,900</td><td>1,984,725</td></tr></table> <p>Based on the 2025/26 budget and tax base, the precept percentage increase for a Band D property would be as follows:</p> <p>20 years = 21.99% or approximately £51.36 per annum 25 years = 21.16% or approximately £48.96 per annum 30 years = 20.48% or approximately £47.40 per annum 35 years = 20.01% or approximately £46.31 per annum</p>	Term (in years)	Interest Rate %	Initial yearly cost	Reducing Interest amount per annum	Total payable 1 <sup>st</sup> year	Total Loan Repayable	20	5.80	40,042.68	530.49	80,085.36	1,206,750	25	6.03	37,318.38	443.38	74,636.76	1,337,925	30	6.02	35,545.08	381.15	71090.16	1,470,750	35	6.33	34,300.88	334.33	68,601.76	1,604,550	40	6.42	33,334.26	297.22	66,668.52	1,737,075	45	6.48	32,541.76	267.03	65,083.52	1,867,800	50	6.52	31,950	244.50	63,900	1,984,725
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40 years = 19.64% or approximately £45.46 per annum  
 45 years = 19.34% or approximately £44.76 per annum  
 50 years = 19.12% or approximately £44.24 per annum

A loan of £605,000 incurs interest rates on 19/08/2025 as follows:

Term (in years)	Interest Rate %	Initial ½ yearly cost	Reducing Interest amount per annum	Total payable 1 <sup>st</sup> year	Total Loan Repayable
20	5.74	33446.85	882	66893.70	1009701
25	5.97	31158.44	737.48	62316.88	1118943
30	6.14	29668.87	634.14	59337.74	1229571
35	6.27	28623.74	556.36	57247.48	1341018
40	6.35	27780.28	493.88	55560.56	1450102.50
45	6.41	27114.58	443.76	54229.16	1558809
50	6.45	26617.50	406.36	53235	1656033.75

Based on the 2025/26 budget and tax base, the precept percentage increase for a Band D property would be as follows:

20 years = 19.69% or approximately £45.55 per annum  
 25 years = 18.82% or approximately £43.54 per annum  
 30 years = 18.25% or approximately £42.23 per annum  
 35 years = 17.85% or approximately £41.31 per annum  
 40 years = 17.53% or approximately £40.57 per annum  
 45 years = 17.28% or approximately £39.98 per annum  
 50 years = 17.09% or approximately £39.55 per annum

**These figures are indicative only and are based on the current 2025/26 tax base, interest rates at 19/08/2025 and do not include any operational increases which may be required.**

Should Council agree to proceed, PWLB requires formal wording within the minutes to evidence action and decision making taken, with the financial impact having been taken into account. This is as follows:

*At the XXXXXX Town Council meeting on (INSERT DATE), it was RESOLVED to seek the approval of the Secretary of State for Levelling Up, Housing and Communities to apply for a PWLB loan of £XXXXXX over the borrowing term of XX years for (INSERT PURPOSE OF LOAN). The annual loan repayments will come to around £XXXXXX.*

It should be noted that a unanimous vote is normally required for the loan application by the Public Works Loan Board, abstentions are not prohibitive, however, votes against will prevent a loan acceptance.

<b>Implications:</b>	<p>Financial – failure to proceed with the purchase will result in the loss of the £90,350 deposit.</p> <p>Financial – future interest rates are unknown as are the future operating costs of the Council, which may impact the increase to the precept further.</p> <p>Reputational – the public consultation is supportive of the project and failure to proceed could damage the reputation of the Council in that it could be seen as not willing to invest and progress the town.</p>
<b>Recommendation:</b>	To consider and discuss the proposal in respect of a PWLB loan application and the level of that application.



## PWLB LOAN CONSULTATION DATA ANALYSIS

**Background:** Council's consultation sought feedback from residents with two quantitative questions and an additional comment section for qualitative feedback. The presentation of these questions reflects guidance from the Ministry of Housing, Communities and Local Government, which only expects consultations to include:

1. Whether the project is supported by residents,
2. Whether the project is still supported by residents, given any precept implications.

Results were collected both physically via a paper consultation form and an online survey, both of which were publicly available and publicised. Quantitative responses have been analysed and presented below. Officers have also analysed qualitative feedback from residents and grouped it to give Council a richer understanding of the responses beyond only quantitative data.

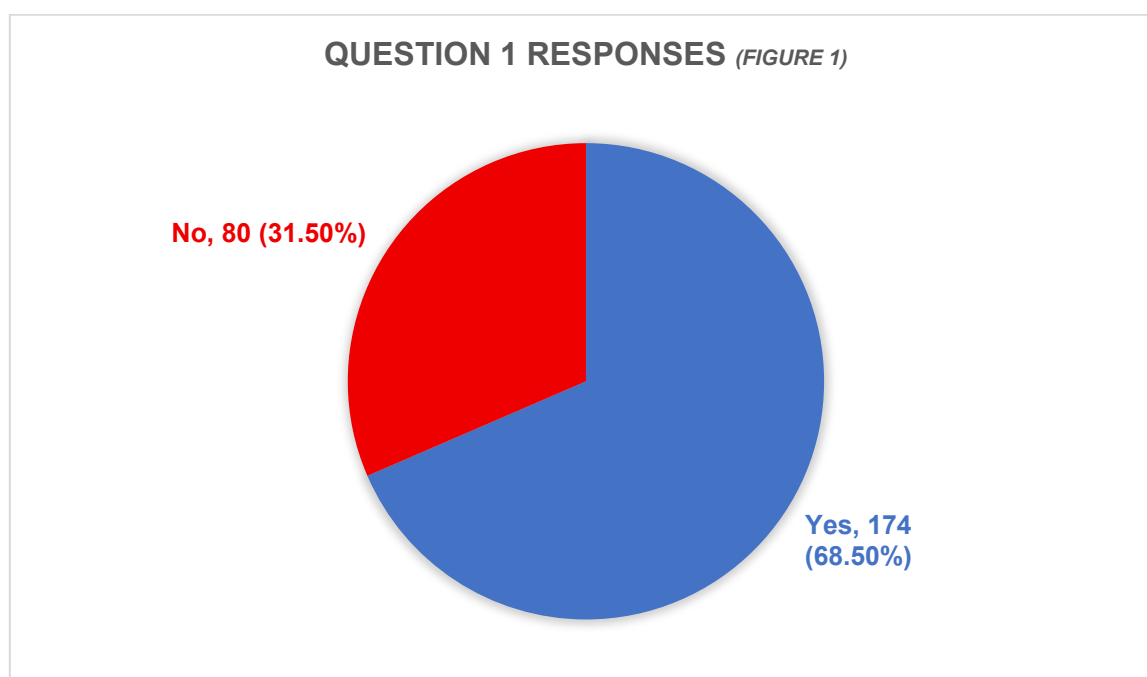
### Quantitative Data – An Overview:

**254** interactions with the consultation took place, with **252** complete responses.

2 respondents erroneously responded both "Yes" and "No" for *Question 1*. These responses explain why there are more interactions than complete responses, and account for **0.79%** of responses for *Question 1 only*, which represents a comfortably small margin of error for confidence with the overall responses and data collected. All percentages are rounded to the nearest two decimal places.

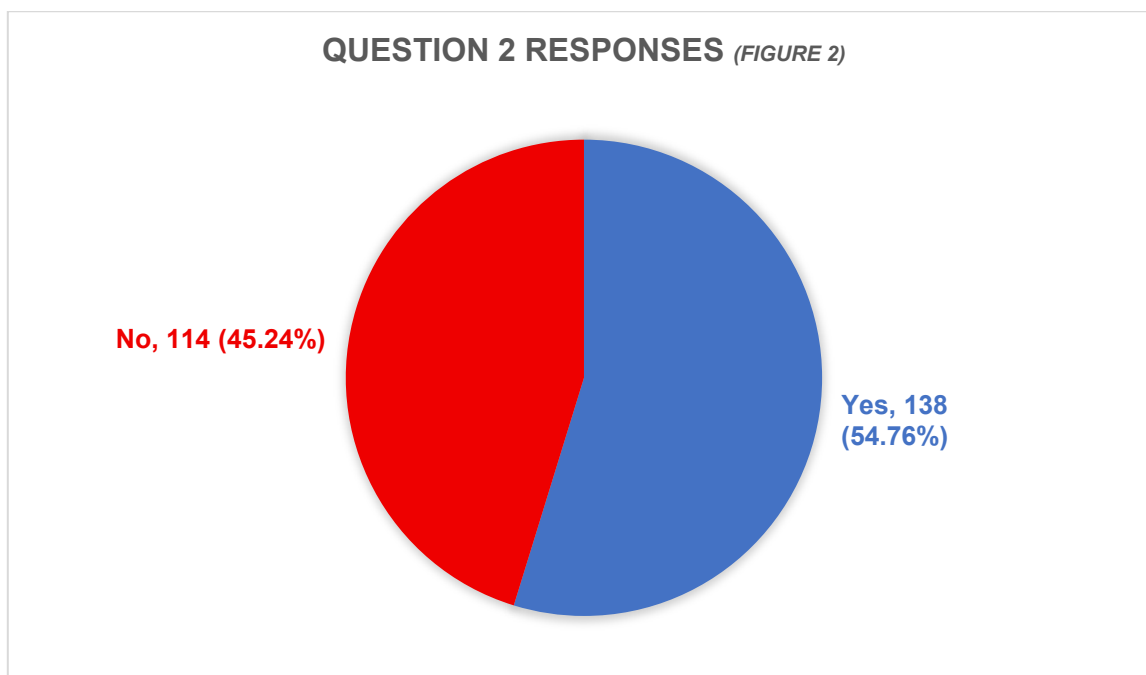
Physical (paper) responses	Online responses	Total Complete Responses
19 (7.54%)	233 (92.46%)	252 (2 responses removed for inconsistencies)

**Question 1** – "Do you support the Town Council purchasing 2 North Street to create a purpose-renovated museum and tourist information centre?"





**Question 2** – “Would you support the purchase if it required a one-off Town Council tax precept increase of around £50 per household to cover loan repayments?”



There is demonstrable support for the project in **Question 1 (68.5%)** and majority support in the face of a precept increase of around £50 **Question 2 (54.76%)**.

Support still outweighs opposition in *Question 2* though there is a decrease. This is to be expected given tangible cost implications.

#### **Qualitative Responses – Resident Feedback and Noteworthy Themes:**

Residents were given the opportunity to write comments in their own words. These have been analysed and grouped to allow Council an overview of key themes in the feedback.

131 residents commented (51.98%). A comment rate of 51.98% shows a high level of engagement. Inviting feedback like this surpasses what is expected by the Ministry of Housing, Communities and Local Government. These comments have been broken down into I) support, II) opposition and III) neutrality / clarifying questions.

Supportive Comments	Opposing Comments	Neutral / clarifiers	Total Comments
68 (51.91%)	42 (32.06%)	21 (16.03%)	131

The survey tool used, and paper consultation forms allow for responses to *Questions 1 & 2* to be matched to individual respondent's qualitative feedback. This offers a surface understanding of why residents might have responded in favour or in opposition.

#### **Themes Analysis:**

Emerging themes in written feedback have been captured to provide Council with a snapshot of what residents were telling us that might have shaped their responses.

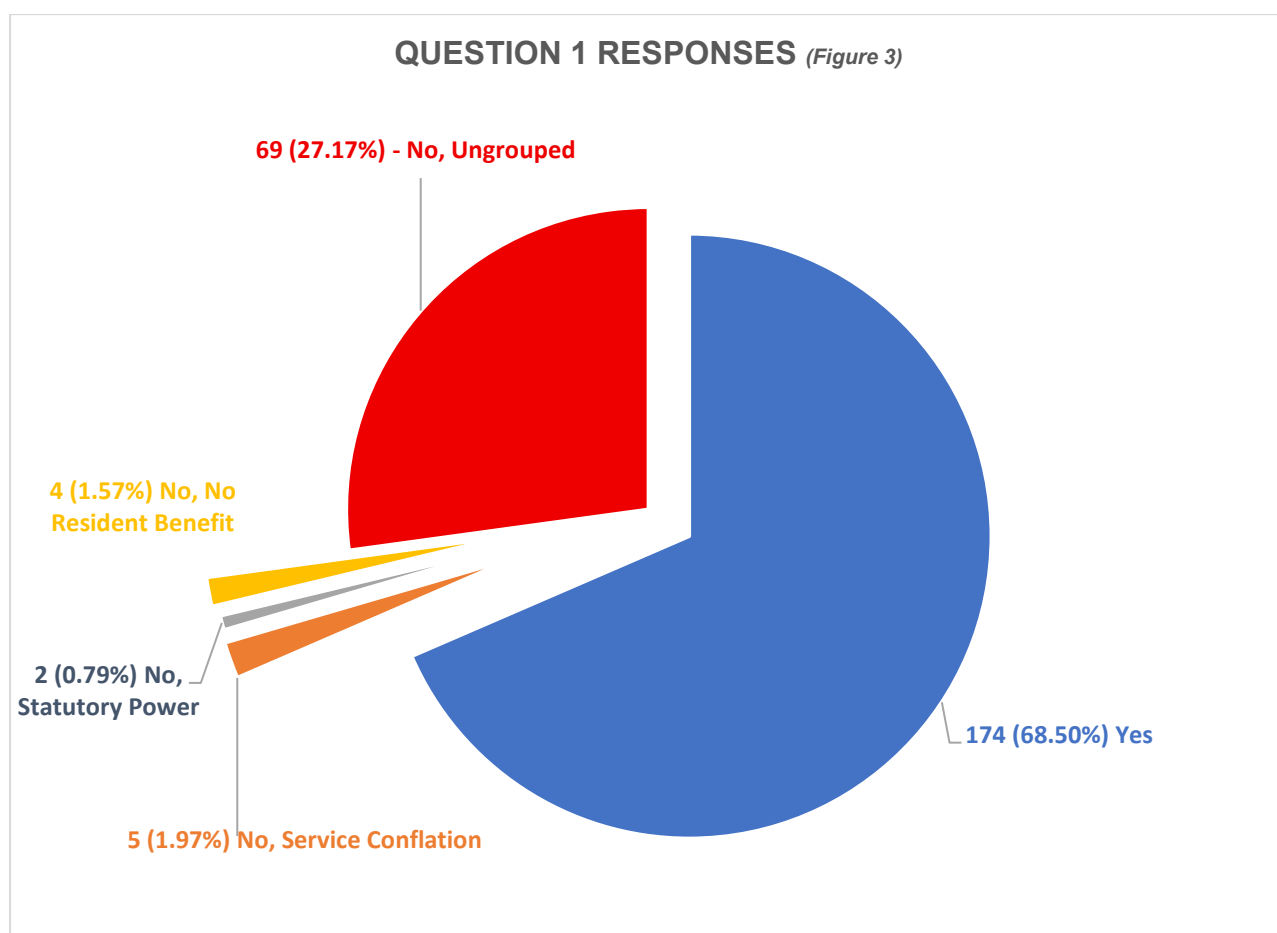
**23 (17.56%)** of the responses were grouped under the following themes, which indicated potential misunderstandings of the services Wareham Town Council provides, its powers, the purpose of the project or work which might have already been done. These responses are included in *Figures 1 & 2*



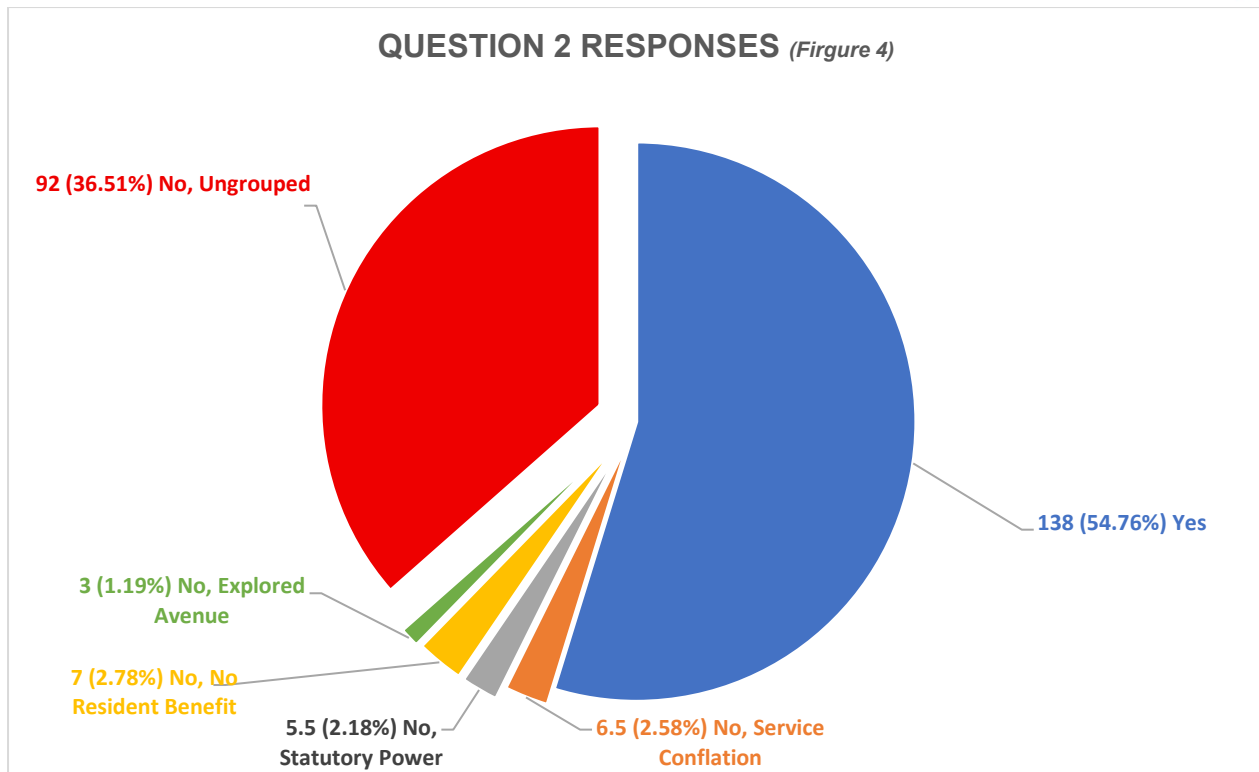
but have been highlighted in the table below and *Figures 3 & 4*. Some responses have been counted as **0.5**, where two themes are covered in one response.

These themes specifically were:

Comment Grouping	Number of grouped comments	Example
<b>Service Conflation:</b> <i>Where a resident has perceivably confused or conflated what services Wareham Town Council delivers.</i>	6.5 (4.96%)	"This money would be better spent on keeping council tax lower and providing housing for LOCAL families."
<b>Statutory Power:</b> <i>Where residents have based support or lack of it on something the Town Council cannot do by law.</i>	6.5 (4.96%)	"Impose a tourist tax to pay for it" – "Local businesses which benefit should pay precept, not residences."
<b>Explored Avenue:</b> <i>Where residents have based support or lack of it on something the Town Council has tried to do or is doing.</i>	3 (2.29%)	"I think if the council could apply for a grant to subsidise the costs then I would support"
<b>No Resident Benefit:</b> <i>Where residents have characterised the museum as only for tourists or visitors, missing benefits to other residents.</i>	7 (5.34%)	"Why should we pay for something outsiders are going to use i disagree totally with paying £50"



**Fig. 3)** The groupable opposing responses account for **11 (4.33%)** of the responses to *Question 1*.



**Fig. 4)** The groupable opposing responses account for **22 (8.73%)** of the responses to *Question 2*.