

Business Case: Proposed PWLB Loan for a New Cemetery

Background

Waltham Parish Council currently manages the existing burial ground at Ings Lane, which is expected to reach full capacity within the next 2-4 years. To ensure that local burial provision continues for future generations, the Council has allocated land it already owns at Station Road for a new cemetery.

Full Planning permission has been granted, and a professional project manager appointed to oversee the tender process and works.

The Council is proposing to apply for a loan from the Public Works Loan Board (PWLB) to finance the majority of the costs of the construction of the new cemetery, including access roads, landscaping, and a car park.

The ongoing maintenance of the cemetery, once opened, will be funded by the burial and memorial income generated.

Project Details

Project: Construction of a new cemetery

Location: Station Road, Waltham (alongside the allotments)

Estimated Total Cost: £346,578

Breakdown of Estimated Costs

Enabling works - £30,000

Ground works - £240,500

Landscaping - £28,500

Misc.& contingency - £47,578

Funding Sources

1. Funding Source: Public Works Loan Board (PWLB) £300,000
2. Funding Source: £46,578.00 Council Reserves

The Parish Council has an Ear-marked-reserve (EMR) of £46,908 for the new cemetery project. A new cemetery working group researched the costs of ancillary items. It was discussed that £30,000 could be used as the contingency, and memorial items e.g. columbarium could be added as 'phase 2' once the construction has been completed and the cemetery opened. Installation of benches would also be phased over future years with three being installed initially at a cost of £3,000.

If the above recommendations are accepted the total amount to be covered by Council Reserves reduced from £95,220 (project manager's estimate) to £46,578, which can be covered by the Council's current New Cemetery EMR.

Loan Amount: £300,000

Loan Term: 25

Loan Type: EIP (repayments reduce by £337.64 each year)

Interest Rate: approximate current rate – 5.74%

First Annual Repayment: £28,984 (data date 06 Jan 26)

PWLB Borrowing

The PWLB provides loans to local authorities and other eligible public bodies to support capital expenditure. PWLB loans are typically:

- Long-term and fixed-rate
- Repaid over the life of the asset being financed
- Structured to support affordability and prudent financial management

Borrowing £300,000 through the PWLB would spread the cost of capital investment over time, ensuring that those who benefit from the asset also contribute to its cost.

Repayment Options

Annuity Repayment

Under the annuity method, the borrower pays a fixed total amount each year over the life of the loan. Each annual payment includes:

- Interest on the outstanding balance
- Repayment of principal

At the start of the loan, a higher proportion of the payment is interest. Over time, the interest element reduces and the principal repayment increases, while the total annual payment remains constant.

Equal Instalments of Principal (EIP)

Under the EIP method, the borrower repays the same amount of principal each year, plus interest on the outstanding balance. This means:

- Principal repayments are fixed
- Interest costs reduce each year as the outstanding balance falls
- Total annual payments start higher and reduce over time

Total Interest Payable

Annuity

- Principal is repaid more slowly in the early years
- Results in a higher total interest cost over the life of the loan compared with EIP

EIP

- Principal is repaid more quickly
- Leads to lower total interest costs over the life of the loan

Alignment with Asset Life

Annuity

- Well suited where benefits from the asset are spread evenly over its life
- Supports intergenerational fairness through smooth cost distribution

EIP

- More closely reflects a declining liability over time
- Appropriate where early repayment of debt is an objective

Loan Term Examples – 25, 40 and 50 Years (with Estimated Repayments)

The estimated repayment figures below are taken from the PWLB Fixed Rate Loans – Estimated Repayment Costs schedule for borrowing of £300,000 (data date: 18 December 2025).

All figures are indicative and shown to support affordability and comparison only.

The table below summarises the estimated annual repayments and total amounts repayable for all six options considered. Figures are indicative and based on PWLB estimates for borrowing of £300,000.

Loan Term	Repayment Method	Estimated Annual Repayment	Total Amount Repaid
25 years	Annuity	£23,054	£576,358
	EIP	£29,190 (reducing annually)	£519,173
40 years	Annuity	£20,220	£808,786
	EIP	£25,680 (reducing annually)	£668,145
50 years	Annuity	£19,335	£966,726
	EIP	£24,390 (reducing annually)	£764,348

Impact on the Precept

The following figures are based on the 2026-27 budget and tax base.

To fund the annual loan repayments, the Parish Council proposes to increase the annual precept by approximately 27.5% for the financial year 2027-2028.

Should the first loan repayment be due during the financial year 2026-2027, the Council has allocated an EMR to cover the cost of the first loan repayment.

Current Precept (2026/27): £105,131

Proposed Precept (2027/28): £134,115

Increase: £28,984 (approx. 27.5%)

For a Band D household, this would mean an increase of approximately **£12.47** per year on the parish element of the Council Tax bill.

Reasons for the Proposal

The existing cemetery is nearing capacity and will be full within 2-4 years.

Waltham Parish Council offers reduced burial fees for Waltham residents. Currently a plot and burial fee for Waltham residents is £1,000. Scartho Cemetery and Cleethorpes Cemetery currently charge £2,369.

Feedback from residents tells us that burying loved ones in the village is important to them.

Purchasing and developing the new cemetery now will secure provision for the next 50–75 years.

Borrowing through the PWLB spreads the cost fairly across current and future residents who will benefit.

Have Your Say

The Parish Council wishes to hear your views before making a formal loan application.

Please complete the survey below by 16th February and send to:

Tanya Kuzemczak

Clerk to the Council

clerk@walthamparishcouncil.gov.uk

Parish Office, Kirkgate Car Park, Kirkgate, Waltham, Grimsby, DN36 5PR

Click the link below to complete the survey online

[**WALTHAM PARISH COUNCIL NEW CEMETERY PROJECT & PRECEPT INCREASE SURVEY – Fill out form**](#)



or SCAN the code above to complete the survey online.

You can also attend the Parish Office between 9AM and 12PM on Wednesday 14th, 21st, 28th January 2026 and 4th and 11th February 2026, where officers will be available to answer questions.

Next Steps

After reviewing residents' feedback, the Council will decide at its meeting on Tuesday 3rd March 2026 whether to proceed with the loan application to the Department for Levelling Up, Housing and Communities (DLUHC).

If approved, it is estimated that work on the new cemetery will begin in Winter 2026

Waltham Parish Council

New Cemetery Project & Precept Increase Survey

Please answer the following two questions.

Question 1. Are you in FAVOUR of the Parish Council going ahead with the New Cemetery Project

YES / NO

Question 2. Are you in FAVOUR of the Parish Council going ahead with the New Cemetery Project if it includes a council tax precept increase of 27.5% (equivalent to £12.47 a year) for the purpose of the loan repayments?

YES / NO

Name	
Address	
Signed	
Date	

Please send this completed survey form to:
clerk@walthamparishcouncil.gov.uk

Waltham Parish Council, Parish Office, Kirkgate Car Park, Kirkgate,
Waltham, Grimsby, DN37 0LS by **Monday 16th February 2026**

Any survey forms received after the deadline will be disregarded.

