**DIOCESAN LOANS FUND PROPOSAL**

1. POTR has £11,812 in the Diocesan Loans Funds earning 0.5% interest. This fund is used to support parishes which need to be helped with loans at a lower rate than commercially available. The diocese is making changes to the way it administrates the fund. Deposits of less than £10,000 are being returned to parishes. Those with larger deposits will have a formal loan agreement and will be able to add to their deposits. Interest will be paid at 0.5% above the prevailing CCLA CBF Church of England Deposit Fund rate (currently 0.25%). The diocese would expect funds to be deposited for the foreseeable future but part or all the loan can be repaid with one month’s notice.

2. POTR currently has £151,000 deposited with CCLA. The Administration and Finance Committee recommends that £50,000 of this is transferred to the Diocesan Loans Fund which would earn an additional £250 pa.

3. In deciding on £50,000 account has been taken of current and future financing requirements. POTR currently has accessible cash totalling £284,000 which will be allocated as follows:

Funds earmarked for Living Space Project in 2018 £112,000

Working Balance for Current Account £50,000

Transfer to Diocesan Loans Fund £50,000

Balance available for future projects and contingencies £72,000

In addition, we have a fixed 12 month deposit of £85,828 @ 1.3% with Shawbrook Bank which we could draw upon if necessary when it next comes up for renewal in October 2018.

November 2017