**Loan Policy**

The Loan Policy was adopted by Full Council at its Meeting held on 2 February 2021.

The Parish Council’s legal powers to make grants Under the Local Government Act 1972, s11 the Parish Council is empowered to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of its functions. Therefore the council can lawfully issue grants pertaining to its statutory powers.

Under certain situations consideration may be given to loan applications from organisations (not individuals) as defined in this policy under the following terms:

* 1. A loan is awarded for a particular defined purpose, within the Parish.

1.2 A loan cannot be made to fund political activities.

1.3 The organisation making a loan request should be a non-profit making voluntary organisation where membership is open (i.e. no discrimination of membership on grounds of sex, race, religion etc.)

1.4 The maximum period of repayment of a loan is 5 years.

1.5. The interest rate applied to the loan shall be the average base rate plus 1.0%, as supplied by the Council’s bankers, or 4.0% whichever greater.

1.6. Under normal circumstances only one application per applicant will be considered in any one Financial Year and will be determined by the availability of Council’s financial reserves.

1.7. Before a loan is authorised, the Council must ensure that guarantees/guarantors for repayment are found to be acceptable.

1.8 The Parish Council would need the loan application form to be completed.

1.9 The Parish Council would require a copy of the applicant’s books from current/previous financial year.

Last Reviewed February 2021

To be reviewed February 2023