
REPORT TO: FINANCE AND MANAGEMENT
COMMITTEE

AGENDA ITEM:

10

**DATE OF
MEETING:** 5 SEPTEMBER 2002

CATEGORY:
DELEGATED

REPORT FROM: CHIEF FINANCE OFFICER

**OPEN
PARAGRAPH NO:** N/A

**MEMBERS'
CONTACT POINT:** PAUL CULLEN
595872

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SUBJECT: MORTGATE INTEREST RATE

REF: PAC/LJW/H3

**WARD(S)
AFFECTED:** ALL

**TERMS OF
REFERENCE:** FM08

1.0 Recommendations

- 1.1 The Committee is asked to declare the Local Average Rate of Interest for the period October 2002 to March 2003 at 7.82%.

2.0 Purpose of Report

- 2.1 Under Section 438 of the Housing Act 1985 the Council is required to declare the Local Average Rate of Interest on its mortgages at six monthly intervals.

3.0 Detail

- 3.1 The Committee is required at this meeting to declare the Local Average Rate for the six months from October 2002 to March 2003. The rate has been calculated to be 7.78%.
- 3.2 Borrowers are actually charged the higher of the Standard National Rate declared by the Secretary of State and the Local Average Rate. The Standard National Rate is based on the rates charged by Banks and Building Societies and is currently 5.19%.
- 3.3 The calculated interest rate of 7.78% has only reduced by 0.04% from the current rate of 7.82%. It is therefore proposed that the rate charged to borrowers remains unchanged at 7.82%.

4.0 Financial Implications

- 4.1 The rate of interest charged to borrowers will remain unchanged at 7.82%.

5.0 Background Papers

- 5.1 10 December 2001 Letter from DETR