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<b>REPORT TO:</b>	<b>FINANCE AND MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM: 9</b>
<b>DATE OF MEETING:</b>	<b>30 April 2009</b>	<b>CATEGORY: DELEGATED</b>
<b>REPORT FROM:</b>	<b>DIRECTOR OF CORPORATE SERVICES</b>	<b>OPEN PARAGRAPH NO: N/A</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>KEVIN STACKHOUSE 595811</b>	<b>DOC:</b> s:\cent_serv\committee reports\finance and management\30 aug 2009\mort interest rate -pac.doc
<b>SUBJECT:</b>	<b>MORTGAGE INTEREST RATE</b>	<b>REF: PAC/LJW/H3</b>
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: FM08</b>

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## **1.0 Recommendations**

1.1 The Committee is asked to declare the Local Average Rate of Interest at 5.13% for the period April 2009 to September 2009 and that the Council's mortgage rate be reduced to 5.13% with effect from 1 April 2009.

## **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 April 2009 to September 2009. The rate has been calculated to be 5.13%.

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 3.93%.

3.3 Borrowers will therefore be charged 5.13%.

## **4.0 Financial Implications**

4.1 The rate of interest charged to borrowers will be reduced from 6.89% to 5.13%.

## **5.0 Corporate Implications**

5.1 None

## **6.0 Background Papers**

6.1 Local authority mortgage interest rates: Housing Act 1985 Section 438 and Schedule 16 – Communities and Local Government update January 2009.