

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 7
DATE OF MEETING:	5th SEPTEMBER 2013	CATEGORY: DELEGATED OPEN
REPORT FROM:	DIRECTOR OF FINANCE and CORPORATE SERVICES	
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (01283 595811) kevin.stackhouse@south-derbys.gov.uk	DOC: u/ks/live files/mortgages/interest rate sept 13
SUBJECT:	MORTGAGE INTEREST RATE	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 08

1.0 Recommendations

- 1.1 That the Local Average Rate of Interest for the period October 2013 to March 2014 is declared at 3.13%.

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 This is the rate that is charged on Council mortgages. Borrowers are charged the higher of the Standard National Rate as declared by the Secretary of State or the Council's Local Average Rate. The Standard National Rate is based on the rates charged by Banks and Building Societies and is currently 3.13%. This rate has remained unchanged since April 2009.
- 3.2 The Council's Local Rate is 3.01% based on its outstanding borrowings, which is mainly the HRA self-financing debt portfolio. The Council only has one mortgage outstanding and therefore the remaining borrower will continue to be charged the national rate of 3.13%.

4.0 Financial Implications

- 4.1 As detailed above.

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 April 2009.