
REPORT TO: FINANCE AND MANAGEMENT
COMMITTEE

AGENDA ITEM: 7

**DATE OF
MEETING:** 21 FEBRUARY 2006

CATEGORY:
DELEGATED

REPORT FROM: DIRECTOR OF CORPORATE
SERVICES

**OPEN
PARAGRAPH NO:** N/A

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

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SUBJECT: MORTGAGE 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 at 5.13% for the period April 2006 to September 2006 and that the Council's mortgage rate will remain unchanged at 6.28%.

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 2006 to September 2006. 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 6.28%.
- 3.3 Borrowers will therefore be charged 6.28% which is the same as the rate currently charged.

4.0 Financial Implications

- 4.1 The rate of interest charged to borrowers will remain unchanged at 6.28%.

5.0 Background Papers

- 5.1 16 September 2004 Letter from ODPM