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| REPORT TO: | FINANCE AND MANAGEMENT COMMITTEE | AGENDA ITEM: |
| DATE OF MEETING: | 2 SEPTEMBER 2004 | CATEGORY: DELEGATED |
| REPORT FROM: | CHIEF FINANCE OFFICER | OPEN PARAGRAPH NO: N/A |
| MEMBERS' CONTACT POINT: | PAUL CULLEN 595872 | DOC: s:\cent_serv\committee reports\finance and management\30 aug 2004\mort interest rate -pac.doc |
| 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 for the period October 2004 to March 2005 at 5.19%.

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 2004 to March 2005. 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 5.19%.

3.3 Borrowers will therefore be charged 5.19% 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 5.19%.

5.0 Background Papers

5.1 10 December 2001 Letter from DETR