


Haringey Council  
Written Statement/Record of a decision made by an officer under delegated authority

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| Decision Maker (Post Title)   | ASSISTANT DIRECTOR FINANCE - DEPUTY<br>CHIEF FINANCE OFFICER  |
| Subject of the decision   | Determination of Local Average Rate of Interest from 1 October 2015 to 31 March 2016  |
| Date of decision  | 2 SEPTEMBER 2015  |
| Decision  | I approve the recommendation as set out below:<br><br>That the Council's local average rate of interest to be applied to all variable rate mortgages with effect from 1 October 2015 to 31 March 2016 should remain at 5.47%. |
| Reasons for the decision  | Under Section 438 and Schedule 16 of the Housing Act 1985, the Council is required to determine the local average rate of interest every six months.  |
| Details of any alternative options considered and rejected by the officer when making the decision  | There are no other options required under statute.  |
| <u>Conflicts of interest – Executive decisions</u><br><br>Details of any conflict of interest declared by a Cabinet Member who is consulted by the officer which relates to the decision and details of dispensation granted by the Council's Head of Paid Service  | None  |
| <u>Conflicts of interest – Non executive decisions</u><br><br>Where the decision is taken under an express delegation e.g. by a Committee, the name of any Member who declared a conflict of interest in relation to this matter at the committee meeting,  | None  |
| Title of any document(s), including reports, considered by the officer and relevant to the above decision or where only part of the report is relevant to the above decision, that part)<br><br>These documents need to be attached to the copy of this record/statement kept by the Authority but must not be published if they contain exempt information | Council mortgage interest rate from 1 October 2015 to 31 March 2016   |
| Reasons for exemption with reference to categories of exemption specified overleaf or<br><br>Reason why decision is confidential (see overleaf)<br><br>Decisions containing exempt or confidential information falling within the categories specified overleaf are not required to be published.   | None  |
| Signature of decision maker   |   |

KEVIN BARTLE

Does decision need to be published

Yes

No

## Exempt Information

### Local Government Act 1972 Schedule 12A

#### Part 1: Descriptions of Exempt Information

1. Information relating to any individual.
2. Information which is likely to reveal the identity of an individual.
3. Information relating to the financial or business affairs of any person (including the authority holding that information).
4. Information relating to any consultations or negotiations or contemplated consultations or negotiations in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
6. Information which reveals that the authority proposes -
  - (a) To give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
  - (b) To make an order or direction under any enactment.
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

Note: It is insufficient to simply identify a category of exemption, you must also conduct a public interest test on the basis specified in the Act as follows:

Information falling within categories 1-7 is exempt if and so long as in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

## Confidential Decisions

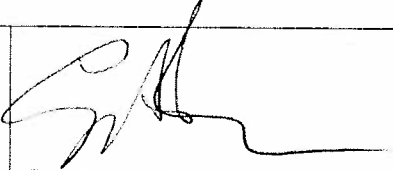
1. The decision contains information provided by a Government department on a non disclosure basis
2. There is a Court order against disclosure



**Haringey**

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| Report for: | S151 Chief Finance Officer<br>- 1 September 2015 | Item<br>number |  |
|-------------|--|----------------|--|

|        |  |
|--------|--|
| Title: | Council mortgage interest rate from 1 October 2015<br>to 31 March 2016 |
|--------|--|

|                        |  |
|------------------------|--|
| Report authorised by : | <br>George Bruce: Head of Finance – Treasury and Pensions |
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|               |   |
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| Lead Officer: | Andrew Adegboye: Senior Finance Manager – Financial<br>Planning, Homes for Haringey<br><br>Andrew.Adegboye@homesforharingey.org |
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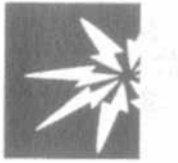
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| Ward(s) affected:<br><br>All | Report for Non Key Decisions: |
|------------------------------|-------------------------------|

1. Describe the issue under consideration
  - 1.1. The purpose of this report is to make the statutory declaration of the local authority mortgage interest rate for the six months commencing 1 October 2015 to 31 March 2016.
  - 1.2. This will ensure that the Council fulfils its duties under Section 438 and Schedule 16 of the Housing Act 1985
2. Recommendations
  - 2.1. As the declared rate has increased by only 0.03%, it would cost more to amend the rate than the net increase in income. It is recommended that the mortgage rate remains the same at 5.47% for the period 1 October 2015 to 31 March 2016.
3. Alternative options considered
  - 3.1. There are no other options required under statute and none has been considered by this report.



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4. Background information
  - 4.1. It is necessary to re-determine the six-monthly local rate of interest to be applied to:
    - (a) Advances and transfers, and
    - (b) Sums left outstanding on disposal of council owned dwellings.The Council's current local average interest rate is 5.47%.
  - 4.2. The Local Average Rate is defined as the rate declared under paragraphs 3(a) and 3(b) of Schedule 16 to the Housing Act 1985, Section 438 and is based on an Authority's annual consolidated rate of interest calculated in accordance with proper practices, plus a prescribed allowance of 0.25% for administration.
  - 4.3. The Council's consolidated rate of interest is based on external borrowing and interest payable. This rate has been reviewed and calculated at 5.25%. This, together with the prescribed allowance of 0.25% for administration, gives a local average rate of 5.50%.
  - 4.4. Having determined the local average rate, local authorities are required by the Act to charge the higher of the Local Average Rate and the Standard National Rate declared by the Secretary of State. The Standard National Rate of interest is 3.13% and was last declared with effect from 1st April 2009 and has not changed since.
5. Comments of Head of Finance – Treasury & Pensions and Financial Implications
  - 5.1. The Authority has to set mortgage interest rates in accordance with Section 438 and Schedule 16 of the Housing Act 1985. This must be the higher of:-
    - a) The national standard rate of interest declared by Secretary of State after taking into account rates charged by Building Societies. This rate remains unchanged at 3.13% and was last declared with effect from 1 April 2009.
    - b) The Council's local average interest rate is comprised of the Council's consolidated rate of interest, based on external borrowing and interest payable, plus the prescribed allowance for administration of 0.25%. The Council's consolidated rate of interest is calculated at 5.25%. This, together with the prescribed allowance of 0.25% for administration, gives a local average rate of 5.50%.
  - 5.2. The current local average rate of interest is 5.47%. As the declared rate has increased by only 0.03%, it would cost more to amend the rate than the net increase in income. It is recommended that the mortgage rate remains the same at 5.47% for the period 1 October 2015 to 31 March 2016.
6. Comments of Assistant Director of Corporate Governance and legal Implications
  - 6.1. There are no specific legal requirements raised by the report other than the requirement that the Authority must set mortgage interest rates in accordance with section 438 and Schedule 16 of the Housing Act 1985.



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7. Equalities and Community Cohesion Comments
  - 7.1. There are no specific equalities implications raised by the report.
8. Head of Procurement Comments
  - 8.1. There are no specific procurement requirements raised by the report.
9. Policy Implications
  - 9.1. In accordance with Part Three, Section E - Part 3 of the Constitution: Responsibility for functions (paragraph 1) – Treasury management activities are assigned to the S151 Chief Finance Officer.
10. Any other considerations
  - 10.1 The 2015-16 Housing Revenue Account (HRA) budget includes the anticipated income from interest on council mortgages.
11. Reasons for decision
  - 11.1 Under Section 438 and Schedule 16 of the Housing Act 1985, the Council is required to determine the local average rate of interest every six months.
12. Use of Appendices

None
13. Local Government (Access to Information) Act 1985
  - 13.1. The following background documents, which are available publicly, are relevant to this report:
    - Housing Act 1985,
    - Declaration of Standard National Rate of Interest,
    - Local Government and Housing Act 1989,
    - Local Authority Mortgage Interest Rates Determination 1993.

