

## Appendix 2

### Interest Rate Forecasts

#### Bank Rate (Forecasts as at 31/12/2015 and subject to change)

	<b>Arlingclose (Central case)</b>
2016/17- Q1	0.50%
Q2	0.75%
Q3	0.75%
Q4	1.00%
2017/18	1.00%
2018/19	1.25%

#### PWLB (Forecasts as at 31/12/2015 and subject to change- Source Arlingclose (Central case))

	<b>Q1 – 2016/17</b>	<b>Q2 – 2016/17</b>	<b>Q3 – 2016/17</b>	<b>Q4 – 2016/17</b>
5 Year	2.60%	2.70%	2.80%	2.90%
10 Year	3.25%	3.30%	3.40%	3.45%
25 year	3.83%	3.85%	3.88%	3.90%
50 Year	3.85%	3.90%	3.95%	4.00%

For budget setting and financial planning, the following rates have been assumed.

<b>Budget Period</b>	<b>Investment Returns</b>	<b>Borrowing Rates (PWLB 50 Years)</b>
2016/17	0.50%	5.00%
2017/18	0.75%	5.50%
2018/19	1.25%	6.00%
2019/20	1.75%	6.00%
2020/21	2.25%	6.00%