

Appendix 2 Interest Rate Forecasts

Bank Rate (Forecasts as at January 2023 and subject to change)

	Arlingclose (Central case)
2023/24 Q1	4.00%
2023/24 Q2	4.25%
2023/24 Q3	4.25%
2023/24 Q4	4.25%
2024/25	3.50%
2025/26	3.25%

PWLB (Forecasts as at January 2023 and subject to change- Source Arlingclose (Upside case))

	Q1 – 2023/24	Q2 – 2023/24	Q3 – 2023/24	Q4 – 2023/24
5 Year	5.30%	5.60%	5.70%	5.80%
10 Year	5.20%	5.40%	5.50%	5.60%
20 year	5.55%	5.65%	5.75%	5.85%
50 Year	5.30%	5.40%	5.50%	5.60%

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

Budget Period	Investment Returns	Borrowing Rates (PWLB 50 Years)
2023/24	3.00%	5.60%
2024/25	3.00%	5.60%
2025/26	3.00%	5.60%
2026/27	3.00%	5.60%