

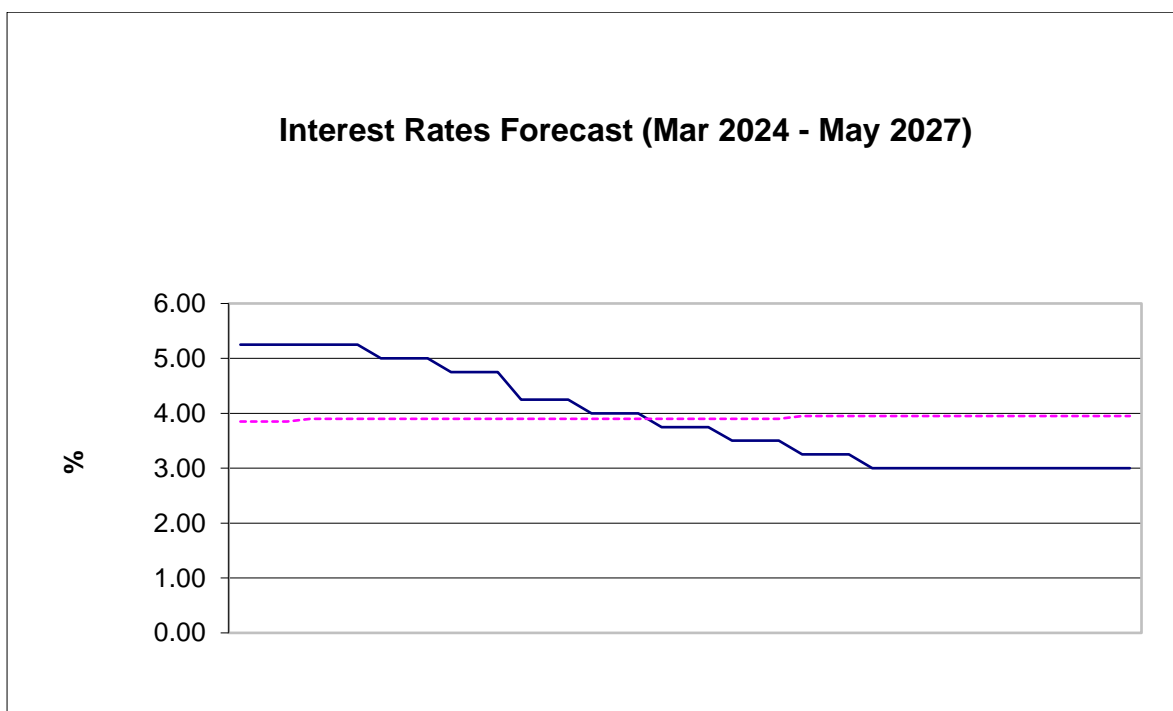
Treasury Management Strategy Statement and Investment Strategy 2024/25 to 2026/27

ANNEX B

INTEREST RATES FORECAST

The graph below shows the interest rate forecast for the Official UK Bank Rate and the 50 year GILT rate from March 2024 to May 2027. The Official Bank Rate influences the rate at which the Council can invest. The GILT rate is the rate at which the Government borrows money and therefore this affects the rate at which the Council can borrow from the PWLB, which is approximately 1% above GILT rates, and the UK Infrastructure Bank which is approximately 0.4% above GILT rates.

As the graph shows, it is slightly more expensive to borrow than to invest at the moment with the Official UK Bank Rate expected to decrease.



—— Official Bank Rate

- - - - 50-yr GILT Rate