

**TREASURY MANAGEMENT STRATEGY STATEMENT AND
ANNUAL INVESTMENT STRATEGY 2013-14**

INTEREST RATE FORECASTS

The data below shows a variety of forecasts published by a number of institutions, including those of United Bank of Switzerland (UBS) and Capital Economics (an independent forecasting consultancy). The final one represents summarised figures drawn from the population of all major City banks and academic institutions. The forecast within this treasury management strategy statement has been drawn from these diverse sources and officers' own views.

1. INDIVIDUAL FORECASTS

Capital Economics - Interest rate forecast (07.11.12)

	Now 2012 (%)	Dec 2012 (%)	Mar 2013 (%)	Jun 2013 (%)	Sep 2013 (%)	Dec 2013 (%)	Mar 2014 (%)	Jun 2014 (%)
Bank Rate	0.50	0.25	0.25	0.25	0.25	0.25	0.25	0.25
5yr PWLB	1.82	1.20	1.20	1.20	1.20	1.20	1.20	1.30
10yr PWLB	2.82	2.30	2.30	2.30	2.30	2.30	2.30	2.30
25yr PWLB	4.05	3.50	3.50	3.50	3.50	3.50	3.50	3.50
50yr PWLB	4.19	3.80	3.80	3.80	3.80	3.80	3.80	3.80

UBS (Union Bank of Switzerland)- Interest rate forecast (07.11.12)

	Now 2012 (%)	Dec 2012 (%)	Mar 2013 (%)	Jun 2013 (%)	Sep 2013 (%)	Dec 2013 (%)	Mar 2014 (%)	Jun 2014 (%)
Bank Rate	0.50	0.25	0.25	0.25	0.25	0.25	--	--
10yr PWLB	2.82	2.80	3.00	3.10	3.20	3.40	--	--
25yr PWLB	4.05	4.00	4.20	4.30	4.40	4.50	--	--
50yr PWLB	4.19	4.00	4.20	4.30	4.40	4.50	--	--