

## ANNEX B

### PRUDENTIAL INDICATORS RELATING TO THE CAPITAL FINANCING AND BORROWING STRATEGY

- a) Proposed **authorised limits for total external debt** gross of investments for the current and next three financial years

Authorised limit for external debt				
	2007-08	2008-09	2009-10	2010-11
	Limit £000	Limit £000	Limit £000	Limit £000
Borrowing	47,000	41,000	41,000	41,000
Other long-term liabilities	0	2,000	2,000	2,000
<b>TOTAL</b>	<b>47,000</b>	<b>43,000</b>	<b>43,000</b>	<b>43,000</b>

- b) Proposed **operational boundary for total external debt** for the current and next three financial years

Operational boundary for external debt				
	2007-08	2008-09	2009-10	2010-11
	Boundary £000	Boundary £000	Boundary £000	Boundary £000
Borrowing	40,500	36,000	36,000	36,000
Other long-term liabilities	0	2,000	2,000	2,000
<b>TOTAL</b>	<b>40,500</b>	<b>38,000</b>	<b>38,000</b>	<b>38,000</b>

- c) Proposed **prudential limits for the maturity structure of borrowing** for 2008-09:

Maturity structure of borrowing		
	Lower Limit %	Upper Limit %
Under 12 months	0	25
1-2 years	0	25
2-5 years	0	50
5-10 years	0	100
Over 10 years	0	100

## **PRUDENTIAL INDICATORS RELATING TO THE INVESTMENTS STRATEGY**

- a) Proposed **upper limits on fixed interest rate exposures** for the current and following three years are:

Upper limits on fixed interest rate exposures		
	Upper Limit %	Upper Limit £000
2007-08	100%	-
2008-09	-	0
2009-10	-	0
2010-11	-	0

b) Proposed **upper limits on variable interest rate exposures** for the current and following three years are:

Upper limits on variable interest rate exposures		
	Upper Limit %	Upper Limit £000
2007-08	50%	-
2008-09	-	38,000
2009-10	-	38,000
2010-11	-	38,000

c) Proposed **upper limits on investments for periods longer than 364 days**

Upper limit on investments for periods longer than 364 days		
	Upper Limit %	Upper Limit £000
2007-08	75%	-
2008-09	-	5,000
2009-10	-	5,000
2010-11	-	5,000