

## ANNEX B

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

- a) The proposed **authorised limits for its total external debt** gross of investments for the current and next three financial years are:

Authorised limit for external debt				
	2006-07 £000 Limit	2007-08 £000 Limit	2008-09 £000 Limit	2009-10 £000 Limit
Borrowing	323,250	392,250	453,000	495,000
Other long term liabilities	750	750	1,000	1,000
<b>TOTAL</b>	<b>324,000</b>	<b>393,000</b>	<b>454,000</b>	<b>496,000</b>

- b) The proposed **operational boundary** for external debt for the current and next three financial years are:

Operational boundary for external debt				
	2006-07 £000 Limit	2007-08 £000 Limit	2008-09 £000 Limit	2009-10 £000 Limit
Borrowing	303,250	372,250	433,000	475,000
Other long term liabilities	750	750	1,000	1,000
<b>TOTAL</b>	<b>304,000</b>	<b>373,000</b>	<b>434,000</b>	<b>476,000</b>

- c) The proposed **maturity structure of its borrowings** for 2007-08 are:

	Lower limit %	Upper limit %
Under 12 months	0	15
12 months and within 24 months	0	15
24 months and within 5 years	0	40
5 years and within 10 years	0	40
10 years and above	60	100

## 2. PRUDENTIAL INDICATORS RELATING TO THE INVESTMENTS STRATEGY

- a) The 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 £000
Latest 2006-07	88,000
Estimate 2007-08	108,000
Estimate 2008-09	123,000
Estimate 2009-10	128,000

- b) The proposed upper limits on **fixed interest rate exposures** for the current and following three years are:

Fixed Rate Risk	
	Upper Limit £000
Latest 2006-07	308,000
Estimate 2007-08	377,000
Estimate 2008-09	438,000
Estimate 2009-10	480,000

- c) The proposed **upper limits on investments for periods longer than 364 days** are

Upper limit on investments for periods longer than 364 days	
	Upper Limit £000
Latest 2006-07	10,000
Estimate 2007-08	25,000
Estimate 2008-09	25,000
Estimate 2009-10	25,000