

APPENDIX 1.

**TREASURY MANAGEMENT STRATEGY STATEMENT & INVESTMENT
STRATEGY FOR 2007/08.**

PRUDENTIAL INDICATORS

| Prudential Indicator (2) Treasury Management Prudential Indicators | 2005/06 Actual | 2006/07 Estimated Out turn | 2007/08 | 2008/09 | 2009/10 |
|--------------------------------------------------------------------------------------|---------------------------|-------------------------------------------|----------------|----------------|----------------|
| | £'000/% | £'000/% | £'000/% | £'000/% | £'000/% |
| Authorised limit for external debt. | | | | | |
| Borrowing | 0 | 0 | £5,000 | £5,000 | £5,000 |
| Other long term liabilities | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | £5,000 | £5,000 | £5,000 |
| Operational Boundary for external debt. | | | | | |
| Borrowing | 0 | 0 | £2,000 | £2,000 | £2,000 |
| Other long term liabilities | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | £2,000 | £2,000 | £2,000 |
| Upper limit for fixed interest rate exposure (Net principal re investment) | 100% | 100% | 100% | 100% | 100% |
| Upper limit for variable interest rate exposure (Net principal re investment) | 0 | 0 | 75% | 75% | 75% |
| Upper limit for principal sums invested for more than 364 days. | 0 | 30% | 75% | 75% | 75% |