

## Variations on Treasury Management Activity

	Net Budget £000	Projected Out-turn £000	Variance £000
<u>Interest Earned on Average Balances</u> Following the revision made to the budget at monitor 1 interest rates were increased in line with the expectation and although underlying average balances are now lower than anticipated due to the delay in capital receipts the decision to borrow £5m in November has resulted in average balances are expected to remain at their predicted levels. There is as a result no change to the forecast outturn on interest earned from Monitor One.	(1,190)	(1,190)	-
<u>Minimum Revenue Provision (MRP) decrease</u> MRP remains at the same level as predicted in monitor 1.	2,627	2,627	-
<u>Long Term Borrowing</u> Monitor One reported a delay in this years long term borrowing until September, the Council was forecast to borrow over £17m in 2006/07, but has only borrowed £10m to date at a fixed interest rate of 4.05%. This borrowing is less than budgeted for, at a lower rate of interest and has been taken later in the financial year than originally budgeted for. This has resulted in a projected £104k underspend.	3,869	3,765	-104
<u>BCCI Dividend</u> The 5th dividend payment from the BCCI liquidators has been announced and the Council are due \$154k, which equates to around £81k at current exchange rates. The Bank of Credit and Commerce International (BCCI) collapsed in February 1992. At that time the City of York Council had outstanding investments with BCCI of £1,386k, to date the Council has received almost £1,243k (90%) of the initial investment. Further dividends are anticipated although the percentage amount recovered is likely to diminish.	-	(81)	-81
<u>Miscellaneous</u> Other net small variances are expected to break even.	1,439	1,439	-
<b>Total</b>	<b>6,745</b>	<b>6,560</b>	<b>-185</b>