

	Note	£000's
Month 6 Forecast Year End Surplus / (Deficit)		-620.0
Changes:		
Consultancy: Management Re-organisation	1	-20.0
LABGI	2	200.0
Building Control VAT	3	-350.0
Revised Year End Surplus / (Deficit)		-790.0
Identified Savings:		
Chief Executive		0.0
Community & Environment		160.5
Corporate Services	4	152.9
Customer Services		122.3
Planning		81.0
Total Savings		516.7
Net Surplus / (Deficit)		-273.3

Notes

1. The consultancy costs incurred as part of the management re-organisation were not included in the Month 6 position. With the removal of all identified savings below this cost is now unlikely to be absorbed.
2. The LABGI grant to be received in February 2007 is forecast to be £470k. Only £270k was reported in the Month 6 position.
3. The discovery in Planning on Thursday that Building Control had not been accounting for output VAT correctly on its charges adds a significant cost to the Council. The figure shown in the analysis above assumes that the overstatement of income is appro

We have to make a voluntary disclosure as soon as possible, in order to mitigate the risk of HMRC finding the error, in which case we are in for penalties & retrospective interest. We are looking at ways of legally minimising the risk & the charge to the

Internal Audit were advised immediately we found the error & will be involved throughout the resolution of this issue. IA have been asked to build into their plans an audit of all debtor systems & processes.

This issue confirms my well known concern, over having too many debtor systems across the Council, with little or no Finance discipline applied to them.

4. A decision is required from Group leaders regarding £11k of Members expenses.