Appendix 3: Decision making tree for allocation of share of overspend or refund in the event of budget surplus

Overall RAA surplus or deficit?

Overall **deficit**

Has the RAA reserve* got a balance in it?

Y: Use available RAA reserve* to offset deficit

N:Go to next step

Is there still a deficit balance?

N: No further action

Y: Is the deficit due to the Inter Agency Budget (IAB) variance?

N: Allocate remaining deficit to the 4 Councils as per the agreed % allocations

Y: Allocate the deficit due to IAB pro rata to the size of each Council's share of the IAB variance

Is there still a deficit balance?

N: No further action

Y: Allocate remaining deficit to the 4 Councils as per the agreed % allocations

Overall **surplus**

Has the RAA reserve got at least £250k* in it?

N: Top RAA reserve up to maximum of £250k*

Is there any spare surplus?

N: No further action

Y: Return the surplus balance to the 4 Councils as per the agreed % allocations

* Assumes RAA reserve agreed, and at £250k - ignore these steps if no reserve