

17 June 2010

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Dear .....(individual letter)

This letter is an advisory letter, as your area/service is reporting an overspend, following the corporate analysis of the April and May national accounts. Whilst this is relatively small, and it is early in the financial year, I wish to see a balanced position on your budget by the end of July, in line with your delegation letter.

Finances are increasingly tight across the public sector as you know. We cannot be sure our budget will remain the same in the second half of the financial year, and we may be subject to a budget reduction as well as efficiency savings from April 2011. This means you should, if anything, be underspending not overspending, in order to be prepared for any reduction in your budget, which could be sizeable.

I do understand the pressures, and the reasons for overspending, but I want to emphasise not just the current difficulty, but to remind you and protect you against giving yourself too big a hill to climb next year. Should the overspending continue, you will be subject to a Star Chamber process, starting in July or August.

Best wishes.

Yours sincerely

**Anthony Douglas CBE**  
Chief Executive