

Martin Roth
Director
Victoria & Albert Museum
Cromwell Road
London
SW7 2RL

20/12/2013



By Email

Dear Martin,

REVISED ALLOCATION LETTER FOR 2013/14 – 2015/16

I am writing to inform you of a change to Victoria & Albert Museum's allocations for the financial years 2013/14 - 2015/16. This letter replaces any previous notifications.

Following the Autumn Statement announcement on 5 December a budget reduction of around 1% has been applied to your allocation baselines for 2014/15 and 2015/16 as per previous communications. Ministers are clear that spending on frontline services should continue to be prioritised, and that you should actively identify and implement the most cost-effective ways of delivering public services. We have corresponded previously on the need to set and maintain contingency plans to help you cope with budgetary reductions within and between Spending Review periods.

Any changes that have previously been agreed to budgets since your last allocation letter have also been reflected in your revised allocation figures below. The allocations do not currently reflect additional reserve access granted under the museums freedoms pilot and updates to depreciation estimates. We will issue revised allocation letters reflecting the museums freedoms changes once the Supplementary Estimate process has been agreed.

The amended control totals against which net expenditure will be monitored and the grant in aid that the Department will pay are as set out in the table below. The control totals are shown in the shaded columns and incorporate any other changes that have previously been agreed with you.

£m	Resource Budget			
	Programme (near-cash)	Programme depreciation	Near-Cash Resource (DEL) (excluding ring fenced) (A)	Total Resource (DEL) Budget (A+B)
Year	A	B	C	D
2013-14	37.523	9.890	37.523	47.413
2014-15	29.103	10.321	29.103	39.424
2015-16	35.406	10.321	35.406	45.727

£m	Capital Budget				Grant in Aid (A+E+F)
	Core capital	Major Projects	Reserves	Total Capital (DEL) Budget (E+F+G)	
Year	E	F	G	H	I
2013-14	1.885	0.000	0.500	2.385	39.408
2014-15	1.968	0.000	0.000	1.968	31.071
2015-16	1.903	0.000	0.000	1.903	37.309

Guidance on the budgeting rules within which you are expected to operate has previously been circulated and can be found in the Treasury's Consolidated Budgeting Guidance and in the Museums Freedoms Guidance.

If you have any questions about the content of this letter, or would like to discuss your contingency plans, then please get in touch with your usual relationship manager in the finance team.

Yours sincerely,



SAMANTHA FOLEY
Finance and Commercial Director

cc: Fraser Jopp