

Ian Jones
Chief Executive
S4C
Parc Ty Glas
Llanishen, Caerdydd
Cardiff, Wales
CF14 5DU



6 December 2012

By Email

Dear Ian

REVISED FUNDING 2013-2015

I am writing to inform you of a change to S4C's allocations for the financial years 2012-13, to 2014-15. This letter replaces any previous notifications.

Following the Chancellor's Autumn Statement on 5th December 2012 a budget cut of 1% and 2% has been applied to your resource baselines for 2013-14 and 2014-15 respectively. 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.

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				Grant in Aid
	Programme (near-cash)	Programme depreciation	Near-Cash Resource DEL (A)	Total Resource (DEL) Budget (A+B)	
Year	A	B	C	D	G
2012-13	83.000	0.660	83.000	83.660	83.000
2013-14	6.633	0.660	6.633	7.293	6.633
2014-15	6.860	0.678	6.860	7.538	6.860

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.

The S4C provides an invaluable service to the people of Wales and is a vital part of the Public Service Broadcasting ecosystem and we recognise the importance of the statutory duty to provide a high quality television programme service. Despite this, as a result of budget constraints, it is necessary for us to pass on the reduction of 1% and 2% to the resource Grant in Aid you receive from the Department. This does not, of course, have any bearing on the majority of S4C funding which, as a result of the partnership with the BBC is no longer met through exchequer funding.

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 or with me.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'S. Foley', with a small dot at the end.

SAMANTHA FOLEY
Finance and Commercial Director

cc: Kathryn Morris
Huw Jones