

Sir Nicholas Serota  
Director  
Tate  
Millbank  
London  
SW1P 4RG



5 August 2011

By Email

*Dear Nick*

## **REVISED FUNDING 2011-12**

I am writing to inform you of a change to the Tate's allocation for 2011-12. This letter replaces any previous notifications relating to 2011/12.

The Secretary of State has agreed to provide the Tate with a budget of £19m to use its reserves for capital expenditure in 2011/12, against the second scenario outlined in your bid. This amount has now been added to your capital budget in the table below. The approach taken has been to allocate 95% of the budget that organisations requested, enabling the Department to remain within the budget set for it by the Treasury and substantially grant the access to reserves requested by its Arm's Length Bodies. Please advise me promptly if, at any point in the year, you find that your organisation will not need to access this much of its reserves. Arrangements for access to reserves in future years will be confirmed separately.

As you are aware, discussions continue between DCMS and the Tate regarding funding of your major capital projects and once concluded I will send you a further Funding letter.

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.

£m

Resource Budget		Total Resource (DEL) Budget (A+B)	Capital Budget			Total Capital (DEL) Budget (D+E+F)	Total grant in aid (A+D+E)
Resource (near-cash)	Ring fenced depreciation		Core capital	Projects	Reserves cover		
A	B	C	D	E	F	G	H
32.782	16.000	48.782	2.523	0.000	19.000	21.523	35.305

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.

If you have any questions about the content of this letter then you can discuss them with either your normal Finance Team contact or with me.

Yours sincerely,



**SAMANTHA FOLEY**  
Head of Finance

cc: Deirdre Robertson, Chief Operating Officer