

CMS 156943/DC

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department for
culture, media
and sport



host government
department

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Ged Bell,

2010 SPENDING REVIEW

I am writing to inform you about the outcome of the 2010 Spending Review for my Department. DCMS's overall budget will reduce by 25% by 2014-15, which comprises a 24% reduction to the resource budget and a 32% reduction to the capital budget. Within this, we have been able to focus our resources to protect the core frontline services that Tyne and Wear Archives and Museums provides by limiting resource cuts to 15% in real terms.

This letter sets out the funding settlement for Tyne and Wear Archives and Museums covering the financial years 2011-12 to 2014-15. I am setting out these high level budget allocations now to give you the best opportunity to plan for what will be a very challenging four year period. This letter may be followed by a more detailed document that will include full details of the settlement over four years.

Within this settlement I expect the collections and front-line services of the Tyne and Wear Archives and Museums to be protected.

Budgetary control totals

The resource and capital allocations and the grant that DCMS will pay in each year are set out in the table below.

£m	Total Resource (DEL) Budget	Total Capital (DEL) Budget	Grant
2011-12	1.368	0.550	1.918
2012-13	1.343	0.550	1.893
2013-14	1.322	0.550	1.872
2014-15	1.318	0.550	1.868

The approach that I have taken in setting these allocations is to commit most of the Department's resources to the bodies that we fund, and to keep only very limited funds back at the centre. This necessarily means that I am left with very little flexibility to deal with risk, for example to meet unforeseeable changes in circumstances and priorities that will arise, particularly in the latter years of the Spending Review period. So, while these allocations set out my firm plans for the next four years, they cannot be immutable, particularly for the third and fourth years. I must ask you to build into your own plans some flexibility in the later years. My intention would of course be to minimize any changes to budgets, and to keep them below 5 per cent of your overall allocation in any case.

We expect that bodies will meet the costs of restructuring. Where there are genuine difficulties, you should contact DCMS to explore options that might be available.

Capital

DCMS's capital budget reduction is 32%. Capital budgets are tighter than for resource spending, making decisions here more difficult. We have therefore focussed our spending on completing those major projects that are already underway and maintaining capital spending on maintenance of core cultural and sporting assets. We have also been able to provide funding for the roll out of the Coalition's commitment to high speed broadband.

Despite the difficult circumstances, this represents a fair settlement with safeguards to protect our cultural, heritage and sporting core. My Ministerial team and I look forward to working with you over the next few years.

Yusuf

Jeremy

JEREMY HUNT

Secretary of State for Culture, Olympics, Media and Sport