

Annex A

Resource DEL budget

The Resource DEL Budget is split into three sub-totals. The **Administration** budget is the amount available for net expenditure on administration and management of your organisation. Should you wish to go further in reducing administration costs to enable a larger portion of the funds provided to be used at the front-line, you will not be penalised and you have the authority to use any underspend on the administration budget in either the programme or depreciation budgets instead.

In contrast, the **Depreciation** budget is operated as a one-way ring fence. This means that, after your net depreciation¹ and impairment charges have been set against it, any overspend must be covered by a reduction in expenditure on either the Programme or Administration budgets. Should there be an underspend against the depreciation budget however, no additional expenditure is permitted in other areas.

The **Programme** budget is simply all other resource expenditure not already captured in the Depreciation and Administration budgets.

Capital DEL budget

The Capital DEL budgets are also separated into three distinct control totals: **major projects, capital grants** and **core capital**.

EHRC receives **core capital**. This captures all other capital expenditure and might include smaller capital projects, maintenance and replacement work.

Please remember that any project that costs (over its lifetime and including all funding streams) more than your delegated capital limit must be approved by the Investment Committee at DCMS using the approved process.

¹ The depreciation charged against the DEL budget excludes depreciation on assets funded by lottery grants or donations.