

Alan Davey
Chief Executive
Arts Council England
14 Great Peter Street
London
SW1P 3NQ

20th December 2013



By Email

Dear Alan

REVISED ALLOCATION LETTER FOR 2013/14 – 2015/16

I am writing to inform you of a change to Arts Council England'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 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						
	Admin (near-cash)	Admin depreciation	Total Admin (A+B)	Programme (near-cash)	Programme depreciation	Near-Cash Resource (DEL) (excluding ring fenced) (A+D)	Total Resource (DEL) Budget (C+D+E)
Year	A	B	C	D	E	F	G
2013-14	21.826	1.770	23.596	421.656	0.366	443.482	445.618
2014-15	15.498	1.770	17.268	416.530	0.423	432.028	434.221
2015-16	14.941	1.770	16.711	341.202	0.423	356.143	358.336

£m	Capital Budget				Grant in Aid (A+D+H+I)
	Core capital	Capital grants	Reserves	Total Capital (DEL) Budget (H+I+J)	
Year	H	I	J	K	L
2013-14	1.613	18.116	0.000	19.729	461.185
2014-15	1.313	11.753	0.000	13.066	445.094
2015-16	1.270	11.364	0.000	12.634	368.777

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, 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: Sir Peter Bazalgette
Elizabeth Bushell
Kal Kay