



Dr Simon Thurley
Chief Executive
English Heritage
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27th March 2013

By Email

Dear Simon

REVISED FUNDING 2013-2015

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

Following the Budget announcement on 20th March 2013 a budget cut of 1.09% and 1.06% respectively has been applied to your programme near cash 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. 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.

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 |
| 2012-13 | 19.287 | 1.033 | 20.320 | 70.348 | 4.977 | 89.635 | 95.645 |
| 2013-14 | 16.115 | 1.033 | 17.148 | 70.387 | 5.267 | 86.502 | 92.802 |
| 2014-15 | 13.902 | 1.033 | 14.935 | 69.845 | 5.438 | 83.746 | 90.217 |

| £m | Capital Budget | | | | | Grant in Aid (A+D+H+I+J) |
|---------|----------------|--------|----------|----------|--------------------------------------|-----------------------------|
| | Core capital | Grants | Projects | Reserves | Total Capital (DEL) Budget (H+I+J+K) | |
| Year | H | I | J | K | L | M |
| 2012-13 | 2.627 | 8.275 | 0.900 | 3.575 | 15.377 | 101.437 |
| 2013-14 | 5.278 | 7.566 | 0.500 | 1.150 | 14.494 | 99.846 |
| 2014-15 | 4.879 | 6.919 | 0.000 | 0.000 | 11.798 | 95.544 |

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.

To date, we have not made any adjustment to the budget we agreed with you for Heritage Schools. Of course, you will know that the Department for Education will also be considering how to deliver the Chancellor's budget priorities. We will inform you of any changes to these budgets as soon as possible.

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: Baroness Kay Andrews
Keith Harrison