

Dennis Hone
Chief Executive
Olympic Delivery Authority
1 Churchill Place
London
E14 5LN



7 December 2012

By Email

Dear Dennis,

REVISED FUNDING 2013-2015

I am writing to inform you of a change to the Olympic Delivery Authority's allocations for the financial year 2013-14. This letter replaces any previous notifications.

Following the Chancellor's Autumn Statement on 5th December 2012 a budget cut of 1% has been applied to your resource baselines for 2013-14 (as the intention is for the ODA to dissolve in March 2014 there is no resource baseline in 2014-15). 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				Capital Budget			Grant in Aid
	Programme (near-cash)	<i>of which: Admin</i>	Programme depreciation	Total Resource (DEL) Budget (A+B)	Core capital – Major Projects	Reserves	Total Capital (DEL) Budget (D+E)	
Year	A		B	C	D	E	F	G
2013-14	41.219	6.900	316.500	357.719	-497.210	0.0	- 497.210	- 455.991

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.

A 1% cut means that the available resource funding to the ODA in 2013/14 will reduce by £416,350 i.e. from £41,635,000 to £41,218,650. Importantly there will be no impact on the available capital budget to the ODA.

HM Treasury have agreed that this in year budget reduction will be returned to the HM Treasury reserve and made available for the Olympic programme if required. As such the full £9.298bn Public Sector Funding Package will be maintained in its entirety.

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 Richard Hartman in the first instance or with me. I am grateful for the ODA's constructive co-operation in this exercise.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'S. Foley', with a small dot at the end.

SAMANTHA FOLEY
Finance and Commercial Director

cc: Sir John Armitt
Gerry Murphy