

Sandie Dawe
Chief Executive
VisitBritain
1 Palace Street
London
SW1E 5HE



6 December 2012

By Email

Dear Sandie

REVISED FUNDING 2013-2015

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

Following the Chancellor's Autumn Statement on 5th December 2012 a budget cut of 1.08% has been applied to your resource baseline for 2013-14 and 2.12% 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 tables 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	24.800	0.954	25.754	12.500	0.000	37.300	38.254
2013-14	22.554	1.011	23.565	0.000	0.000	22.554	23.565
2014-15	20.751	1.07	21.821	0.000	0.000	20.751	21.821

£m	Capital Budget				Grant in Aid (A+D+H+I+J)
	Core capital	Grants	Projects	Total Capital (DEL) Budget (H+I+J)	
Year	H	I	J	K	L
2012-13	0.192	0.000	0.000	0.192	37.492
2013-14	0.192	0.000	0.000	0.192	22.746
2014-15	0.192	0.000	0.000	0.192	20.943

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.

VisitBritain’s budget should retain that funding set aside exclusively for international marketing as set out in the Management Agreement, namely:

£11.2m in 2012-13

£12.1m in 2013-14

£12.9m in 2014-15

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 or with me.

Yours sincerely,



SAMANTHA FOLEY
Finance and Commercial Director

cc: Christopher Rodrigues
 David Parkhill