



Department for  
Digital, Culture,  
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*Dear Carol.*

### **Spending Round 2019**

I am writing to inform you about the outcome of the 2019 Spending Round for my department. DCMS's overall budget will be a 4.1% real terms increase for the year 2020-21.

Thank you for working with my department to prepare for this Spending Round. We have received a very good settlement in a challenging fiscal climate, the most positive resource settlement that DCMS has received for our core department and our Arm's length Bodies (ALBs) in a decade. Crucially this settlement will allow the department to focus on its core work of promoting culture, heritage and sport, and driving continued economic growth by supporting the creative industries, broadband rollout and the digital economy. It will also enable the department to deliver the priorities set out in the Single Departmental Plan.

This letter sets out the funding settlement for the British Library for the financial year 2020-21. The resource budget is £94.513 million (excluding depreciation) which includes a real terms uplift.

Capital budgets were outside the scope of the 2019 Spending Round (the remit was to set resource budgets for 2020-21 only). Capital budgets were set for five years at Spending Review 2015 and are to be maintained at these levels, plus any budget announcements in the lead up to SR19. Your capital settlement for 2020-21 will be £3.671 million.

As ever following fiscal events such as a Spending Round, it is essential you bear in mind that the public funds provided are to be used in accordance with their stated purpose. As stated in your Management Agreement, you are accountable for expenditure and must have appropriate



procedures in place to account for how the funds are spent. You should also consider your potential contributions to delivering the department's wider priorities over the coming year.

### **Conditions**

Within this settlement the British Library is expected to:

- Ensure that free entry to the permanent collections of the British Library will continue to be made available;
- Protect the world-class collections and front-line services of the British Library;
- Continue to pursue commercial and philanthropic approaches to generating revenue which will complement Grant-in-Aid funding, and to seek innovative cost-sharing solutions with other Arm's Length Bodies to maximise these additional sources of income;
- Take a strategic approach to partnership working and to seek out increased opportunities to work across the UK with other museums, cultural and third sector partners; to increase access to your collections, improve cultural participation and support the wider museums sector; and to coordinate with other DCMS-sponsored museums through the Partnership Framework;
- Work with DCMS to engage internationally, including making use of and contributing to the GREAT Britain Campaign, helping us to boost tourism, education and business;
- Give a high priority to supporting the delivery of the Museums Review, which sets out strategic priorities for the DCMS-Sponsored Museums;
- Continue management of the Public Lending Right scheme;
- Prioritise access to arts and culture for disadvantaged young people and communities; and to continue to promote the education, health and wellbeing, and place-making benefits of your organisation.

### **EU Exit**

I am grateful for your support to date in preparing for EU Exit. DCMS sectors play an essential role in uniting Britain by boosting growth and bringing people together, as well as presenting a confident, optimistic vision of Global Britain. Please continue to work with us to make the most of the opportunities for our international and domestic agenda as we go forward.

### **Budgetary control totals**

The control totals against which your net expenditure will be monitored are set out in the tables below. These represent the outcome of the 2019 Spending Round and do not include funding for programmes agreed since, nor funding from other government departments. The key controls are the administration budget, non-ring-fenced resource budget, the overall resource budget and the overall capital budget.

## Resource DEL budget

The resource DEL budget is split into two sub-totals. The administration budget is the amount available for net expenditure on administration and management of your organisation. The programme budget is all other resource expenditure not already captured in the administration and depreciation budgets.

Depreciation figures have been excluded from the table below because the department's final depreciation budget for 2020-21 will be agreed in a separate process by the end of the year (in time for Main Estimates). Please note depreciation costs are ring-fenced within the resource DEL budget and the budget cover may not be switched to other controls totals.

The figures below do not include IFRS 16 adjustments, these will be addressed during the estimates process.

Non-Ringfenced RDEL (£m)		20/21	
Baseline	Programme	A	82.660
	Admin	B	8.814
	<b>Total (A+B)</b>	<b>C</b>	<b>91.475</b>
Non-baseline	Programme	D	3.039
	Admin	E	0.000
	<b>Total (D+E)</b>	<b>F</b>	<b>3.039</b>
<b>Non-Ringfenced Total (C+F)</b>		<b>G</b>	<b>94.513</b>

The non-baseline allocation above relates to: additional one-off pensions cover (£3.039m).

## Capital DEL budget

Capital DEL budgets were outside the scope of the 2019 Spending Round so the figures below represent those agreed at the 2015 Spending Review or subsequent budget announcements (excluding announcements after SR19).

Non-Ringfenced CDEL (£m)	20/21
Non-Ringfenced Capital DEL (£m)	3.671

The above allocation includes funding from the Museums Infrastructure Fund (£0.450m).

Following each year-end we issue a formal assessment of the accuracy of your forecasting through the year and how this compared to the subsequent outturn. This reflects the importance we place upon accuracy of forecasting in order to manage the overall DCMS expenditure within the control totals. Should forecasting be inaccurate, then we would look to increase the engagement and scrutiny of the financial reporting.

## Compliance with the Equality Act 2010

In implementing this settlement, I should remind you that all decisions taken by public bodies, including spending decisions, are subject to the public sector equality duty of the Equality Act 2010, requiring you to have due regard to the need to:

- Eliminate unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- Advance equality of opportunity between people who share a relevant protected characteristic (age; disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, sex, sexual orientation) and people who do not; and
- Foster good relations between people who share a relevant protected characteristic and people who do not.

### **Next steps**

The 2019 Spending Round was an accelerated exercise carried out to give financial certainty for the next year. As a result, we expect a multi-year SR will take place in 2020 and my department will work with you to prepare for this process.

### New spend proposals

I would like to thank you for the work you put into preparing the business cases for new spend proposals in the run up to the 2019 Spending Round. HM Treasury have said that they plan to revisit new spend proposals during the 2020 Spending Review, so this would be an excellent opportunity for you to continue to work on and refine your existing new spend business cases, as well as developing any new ones. Please work closely with your DCMS sponsor leads on this and discuss any issues or questions with them.

### Efficiency savings and commercial revenues

It is highly likely that during the 2020 multi-year Spending Review the department will be asked to illustrate the range and scale of work our ALBs have carried out in terms of efficiency savings and commercial revenues. Please build on the work you undertook on this in the run up to the 2019 Spending Round and give serious thought to how you would demonstrate any work your organisation has done since the 2015 Spending Review, or plans to do in the future, to generate efficiency savings or grow the amount of commercial revenue you generate.

### Research and Development (R&D), and Official Development Assistance (ODA)

As part of the 2020 Spending Review, it is probable that HM Treasury will ask for information regarding the R&D funding and the ODA funding used by our ALBs. Both R&D funding and ODA funding provide an opportunity for you to relieve the pressure on your resource budgets. My department would like you to start thinking now about the R&D funding and the ODA funding you already use and plan to use over the 2020 Spending Review period, as well as whether you have any existing activity which is not currently counted as R&D or ODA but could be.

**Department for Digital, Culture, Media & Sport**

Thank you again for working with my department to prepare for this Spending Round, I am pleased we have received such a positive settlement, especially given the current fiscal climate. Please continue to work closely with your sponsor team as we prepare for future fiscal events.

*Yours sincerely*  
*Sarah Healey*

**Sarah Healey CB**  
**Permanent Secretary**