

John Lappin  
Director of Finance  
Care Quality Commission  
Citygate  
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Newcastle upon Tyne  
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31 March 2011

Dear John

#### Purpose

This year, the ALB transition team has coordinated the review and iteration of business plans to ensure a corporate and strategic approach to reviewing and agreeing ALB business plans. In line with this, ALB business plans will be agreed jointly by the Senior Departmental Sponsor, Director General of Policy, Strategy and Finance and Acting Director General for Corporate Development.

The purpose of this letter is to update you on your allocation/funding ahead of the joint agreement, and prior to the beginning of the 2011/12 financial year.

#### Funding

We are pleased to confirm your initial grant-in-aid / revenue allocation is £50m. Current discussions with your Sponsors about Dental registration fees may impact this level of funding. We expect to conclude these discussions and confirm your final allocation in the next few weeks.

This is classified as administration funding under new HM Treasury definitions, we recognise the contribution this budget level makes towards our target to reduce admin funding by a third over the Spending Review period.

This figure represents your annual statutory funding from DH and excludes income from DH for specific projects/services, from Other Government Departments, and income from Devolved Administrations. This also excludes depreciation, impairments, provisions or cost of capital.

#### Transition

Transition funding decisions will be made during the year as plans are firmed up, and negotiations will include agreement on what costs can be absorbed.

## Capital

We are sorry that we are not able to confirm your Capital budget or the related "non-cash" budgets. The total funding available for central capital spend depends on NHS plans and Foundation Trust forecasts, and we expect that it will be constrained in 2011-12. We will have our first opportunity to review the full position with Ministers in light of these in early April. Following this, we will be deciding next steps with Ministers.

In the meantime, we will consider requests from you around continuing capital commitments or urgent capital needs.

Please contact my ALB Finance Team in the first instance if you have any queries; Julie Robinson ([Julie.robinson@dh.gsi.gov.uk](mailto:Julie.robinson@dh.gsi.gov.uk)) Tel: 0113 2546287 or Karen Swarbrick ([Karen.swarbrick@dh.gsi.gov.uk](mailto:Karen.swarbrick@dh.gsi.gov.uk)) Tel; 0113 2546279.

Yours sincerely,



Alastair MacLellan  
Director of Group Finance

Copy: Cynthia Bower, Chief Executive, Care Quality Commission  
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