

Mike Stevens LVO  
Deputy Treasurer to the Queen  
Buckingham Palace  
London  
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7 December 2012



By Email

*Dear Mike*

### **PROPOSED REVISED FUNDING 2013-2015**

Following your recent 'phone conversation with Peter Karpinski, I am writing to propose a change to the grant allocation for the maintenance and security of Marlborough House for the financial years 2012-13, to 2014-15.

As you are aware, as part of the plans for savings set out by the Chancellor in the Autumn Statement, DCMS's resource budgets will reduce by 1 per cent in 2013-14 and 2 per cent in 2014-15. Ministers have decided to share these reductions with the Department's arm's length bodies.

Ministers are very grateful for the role that the Royal Household plays in the upkeep of Marlborough House, and in looking for efficiencies. In line with similar savings to other areas within DCMS's budget, Ministers would like to include the Marlborough House Grant in these savings. We anticipate success in reducing security costs, so hopefully absorbing such savings will not be difficult.

We therefore propose a budget cut of 1% and 2% to the resource grant for Marlborough House in 2013-14 and 2014-15 respectively. Subject to the Royal Household's agreement, the revised grant allocation would be as set out in the table below:

<b>£m</b>	<b>Resource Grant</b>
<b>Year</b>	<b>A</b>
<b>2012-13</b>	0.460
<b>2013-14</b>	0.459
<b>2014-15</b>	0.463

If the Household is content with these revised figures, I would be grateful if you will signal your agreement in writing, and the figures above will replace those in the Agreement. If you have any questions, then please get in touch with Peter Karpinski or with me.

Finance

Yours sincerely,

A handwritten signature in black ink, appearing to be 'S. Foley', written in a cursive style.

**SAMANTHA FOLEY**  
**Finance and Commercial Director**

CC: Sir Alan Reid GCVO