

Mike Stevens LVO
Deputy Treasurer to the Queen
Buckingham Palace
London
SW1A 1AA

27 March 2013



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 2013-14 and 2014-15.

As you are aware, as part of the plans for savings set out by the Chancellor in the Budget, DCMS's resource budgets will reduce by a further 1 per cent in each of 2013-14 and 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 1.09% and 1.06% 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:

£m	Resource Grant
Year	A
2013-14	0.454
2014-15	0.458

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.

Finance

Yours sincerely,

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

SAMANTHA FOLEY
Finance and Commercial Director

CC: Sir Alan Reid GCVO