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Dear Meg

Further to my letter of 2 June 2020, I wrote to update you on Historic Royal Palaces (HRP) borrowing as a result of COVID-19.

You will be aware that in Summer 2020 the government announced the Cultural Recovery Fund which includes the Repayable Finance programme. The CRF loans are being delivered at arm's length and the CRF board has approved a loan to HRP of £40m, in lieu of the £26m DCMS guarantee offer which was made in June 2020. When the existing £4m DCMS guaranteed overdraft is taken into account, this takes HRP's total authorised borrowing up to £44m.

HRP's financial modelling indicates that their reserves will be exhausted shortly into the next financial year and that without this facility in place or other substantial government assistance they would be unable to operate.

HMT has confirmed that no additional approvals are required for HRP's proposed borrowing under the CRF.

Kind regards,

Nigel Huddleston MP
Parliamentary Under Secretary of State for Sport, Tourism and Heritage