



THE DEPUTY LEADER OF THE HOUSE OF LORDS

26th June 2020

Dear Baroness Barker,

Thank you for raising the issue of independent museums facing insolvency during the Lords Report stage of the Corporate Insolvency and Governance Bill. The Government understands the risk that insolvency poses to museums and their collections. Led by DCMS, we are currently looking at options, including legislative, for how we may be able to prevent the dispersal, and therefore potential loss of these collections.

Since the beginning of the COVID-19 crisis officials and ministers have been in even more regular contact with museums and sector organisations to understand the impact of the pandemic and the measures the Government has taken to fight it. And to understand what support museums and heritage organisations need and how best to get it to them. In response, DCMS arms' length bodies have created sector specific support. Arts Council England launched a £160 million Emergency Funding Package, the National Lottery Heritage Fund launched the £50 million Heritage Emergency Fund, and Historic England launched a £2 million Emergency Fund. That is over £200 million of emergency support for culture and heritage. This emergency short-term funding will help address pressures over the next 3-6 months for those organisations most in immediate need.

The Government has also announced unprecedented support for business and workers, to protect them against the current economic emergency. This includes the Coronavirus Jobs Retention Scheme and VAT payment deferrals. The Chancellor has also announced a Bounce Back loan scheme to help small businesses access loans of up to £50,000, with a 100% government-backed guarantee for lenders. We know that the Coronavirus Job Retention Scheme, in particular, has been a lifeline for the museum sector. The Chancellor announced further extensions to this scheme, taking it through to October. The Government continues to monitor the impact of these and other measures.

I am copying this letter to Lord Fox who also raised his interest in this issue and will place a copy in the House Library.

Yours sincerely,

EARL HOWE

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The Baroness Barker
House of Lords