



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Baroness Smith of Llanfaes  
House of Lords  
London  
SWA1 0PW

4 November 2024

Dear Baroness Smith,

As promised during the Committee Stage of the Crown Estate Bill, I am writing to respond to the question you asked in relation to the impacts of the proposed borrowing powers, and specifically, whether it would afford The Crown Estate with more or less borrowing power than the devolved government of Wales.

The Welsh Government have the ability to borrow to enhance their capital investment, up to £150m per year, as set out in the Fiscal Framework, agreed between the Welsh Government and UK Government.

The powers proposed in the Crown Estate Bill will provide The Crown Estate across England, Wales and Northern Ireland with the power to borrow, subject to Treasury consent. I have previously shared the draft Memorandum of Understanding which sets out the limits and controls in respect of any borrowing to be undertaken by The Crown Estate – this includes a 25% loan to value cap.

As I have set out during the course of the Bill's parliamentary stages, the power will provide The Crown Estate with comfort to draw on its existing cash holdings and therefore, it is not anticipated that borrowing will begin until later in the decade. Furthermore, any borrowing will be consistent with the fiscal rules.

I trust that this answers your question. This letter has been copied to all those who made contributions at Committee Stage, and a copy has been placed in the library.

Yours sincerely,

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke at the end.

**Lord Livermore**

**FINANCIAL SECRETARY TO THE TREASURY**