



Department for Transport

s.40 FOIA

High Speed 2 Ltd
(by e-mail only)

Cavendish Elithorn
DIRECTOR OF STRATEGY
DEPARTMENT FOR TRANSPORT
DIRECT LINE: 020 7944 3096

Web Site: www.dft.gov.uk

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Delegated authority to extend the repayment period for the loan made to the National College for High Speed Rail (NCHSR).

Dear s.40 FOIA ,

In my letter of 9 May 2016 to Steve Allen, HS2 Ltd's Chief Financial Officer, I gave written consent on behalf of the Secretary of State, in accordance with clause 10.15 of the Framework Document, for HS2 Ltd to make a loan or loans of up to £8.3m to the NCHSR for providing working capital for the college. As my letter to Steve Allen had stipulated, the loan made to the College was to be repaid upon receipt of an equivalent or greater sum from BIS or before 1 April 2018, whichever would be sooner. Of the £4m loan provided £1.31m was repaid with £2.77m outstanding.

Since HS2 Ltd issued the loan in 2017 the financial situation of the NCHSR has changed and it is unable to repay the outstanding £2.77m by 1 April 2018. Furthermore, the National Audit Office (NAO) in their letter to HS2 Ltd noted that a formal loan agreement had yet to be finalised and recommended it be put in place promptly.

This letter grants HS2 Ltd authorisation to extend the repayment period of the £2.77m loan to no later than 1 April 2027. It also sets out the condition that HS2 Ltd must put in place a formal loan agreement with the NCHSR before 1 April 2018 which includes an appropriate repayment schedule setting and that HS2 Ltd ensures it manages the loan and its repayment in accordance with the terms of HMT's Managing Public Money and State aid requirements.

HS2 Ltd must manage the loan out of its existing delegation and no additional funding will be provided by the Department for Transport for the purposes of the loan. HS2 Ltd will also be responsible for the ongoing management of the loan.

Yours sincerely,

signature
Cavendish Elithorn