



Department for  
**Transport**

From the Minister of State

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Dear Mr Putnam

**TRUST PORT BORROWINGS**

We discussed at our introductory meeting on 29 June the consequence for the status of trust ports of suspending the programme of Harbour Revision Orders. I stressed at the time that nothing had changed in the substance of the Department's relationship with the trust ports affected by the ONS classification decision. As you know, the Government has no statutory controls over the ports' borrowing, and there are no plans to change this position. Our relationship with trust ports will, however, be one of the issues considered in the Ports Policy Review, on which I expect to be announcing the way forward during the course of next year.

As you may know, under the public expenditure control system, the Department for Transport is obliged to account for new net borrowings by the ports within its Departmental Expenditure Limit. My officials are about to request from your members an update on the most recently notified total of £23.6m new borrowings by the relevant ports for 2005/06; they will also seek an indication of planned changes in exposure for 2006/07 and 2007/08.

You will understand how important it is in the current circumstances for the Department to be kept informed of any significant change in the ports' borrowing plans. We would very much appreciate the cooperation by the affected ports in avoiding any surprises ahead of the outcome of the Ports Policy Review, and I would of course expect the ports to take a prudent approach to borrowing and investment until the Review is complete. My officials are ready to discuss with you and your members how we can best respond to any pressures that may arise in the months to come.

A handwritten signature in black ink, appearing to be 'S. Ladyman', written in a cursive style.A handwritten signature in black ink, appearing to be 'S. Ladyman', written in a cursive style.

**STEPHEN LADYMAN**