

Record of meetings/exchanges between HMT (Second Permanent Secretary, Charles Roxburgh) and Greensill between 1 April 2020 and 2 July 2020

Readout 7th April Call

Tom opened by noting we had some issues with the design of their proposal, that there were fiscal ramifications, and that other players were also looking for support. But that we were keen to listen to their ideas and that we had developed an approach as well that could fit with the terms of the CCFF.

■■■ said they had been thinking hard about how they could propose something that fits with the purpose of the CCFF, which was narrow and limited and which met the terms of the CCFF market notice.

■■■

■■■

■■■

■■■ said this was exactly what he had in mind. Moreover the SPVs were already up and running.

[REDACTED]

and set this out in a short document in the next 24 hours. We would help ensure everyone was joined up including the Bank.

Readout April 16th Call

From [REDACTED]

Sent: 16 April 2020 19:05

To: Roxburgh, Charles - HMT

Subject: Readout of Greensill call

Charles

We spoke to [REDACTED] earlier today.

[REDACTED]

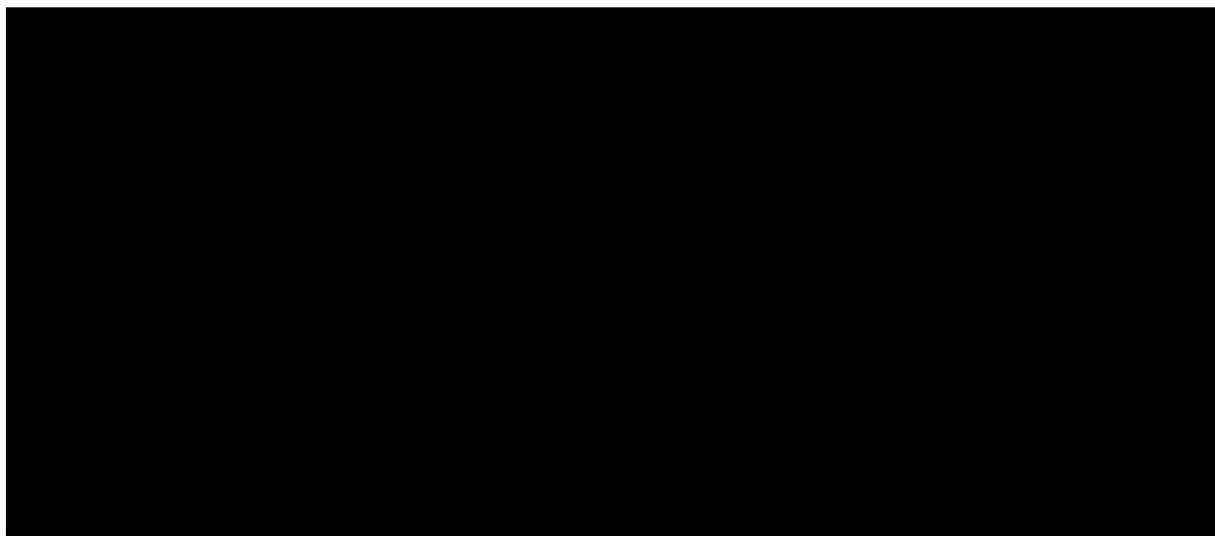
They appreciated our comments on their proposal. However having read your email of last night they were confident that our concerns about their eligibility for the CCFF were misplaced or could be addressed. The central contention is that their proposal does not require any changes to the Market Notice.

Taking our points in turn:

[REDACTED]



They offered more detail, in writing or otherwise, and to discuss further with us or the Bank. You were clear that we were in listening mode and made no commitments other than to take these points away and consider them.



Readout 24th April Call

From [REDACTED]

Sent: 24 April 2020 14:21

To: Roxburgh, Charles – HMT;

Cc: [REDACTED]

Subject: RE: Supply Chain Finance as a potential SME cash injection (O-MS)

Charles

You spoke to [REDACTED] again this afternoon, and I joined the call.

You said we'd considered their legal arguments carefully with the BoE but had concluded that for the proposal to work we would, contrary to their view, need to amend the CCFF market notice.

[REDACTED]

You were clear that we were still working through the design questions with the Bank. Like other schemes we have worked on it may never see the light of day. [REDACTED]

[REDACTED] But assuming we did settle on something we thought would work we would then want to do some confidential market testing with them and other stakeholders.

[REDACTED]

[REDACTED] said they were very pleased to hear this news. He mentioned that they had applied to be a CLBILS affiliate. [REDACTED]

[REDACTED]

They asked about timing and you gave a guarded response, but you said you hoped to be able to get back to them next week with a clear steer as to whether we were ready to move ahead.

[REDACTED]

Readout 13th May Call

From: [REDACTED]
Sent: 13 May 2020 19:18
To: Roxburgh, Charles - HMT
Subject: Draft readout

Hi Charles – did you want to touch base? See below for a draft readout.

Charles

You took a call from [REDACTED] this evening.

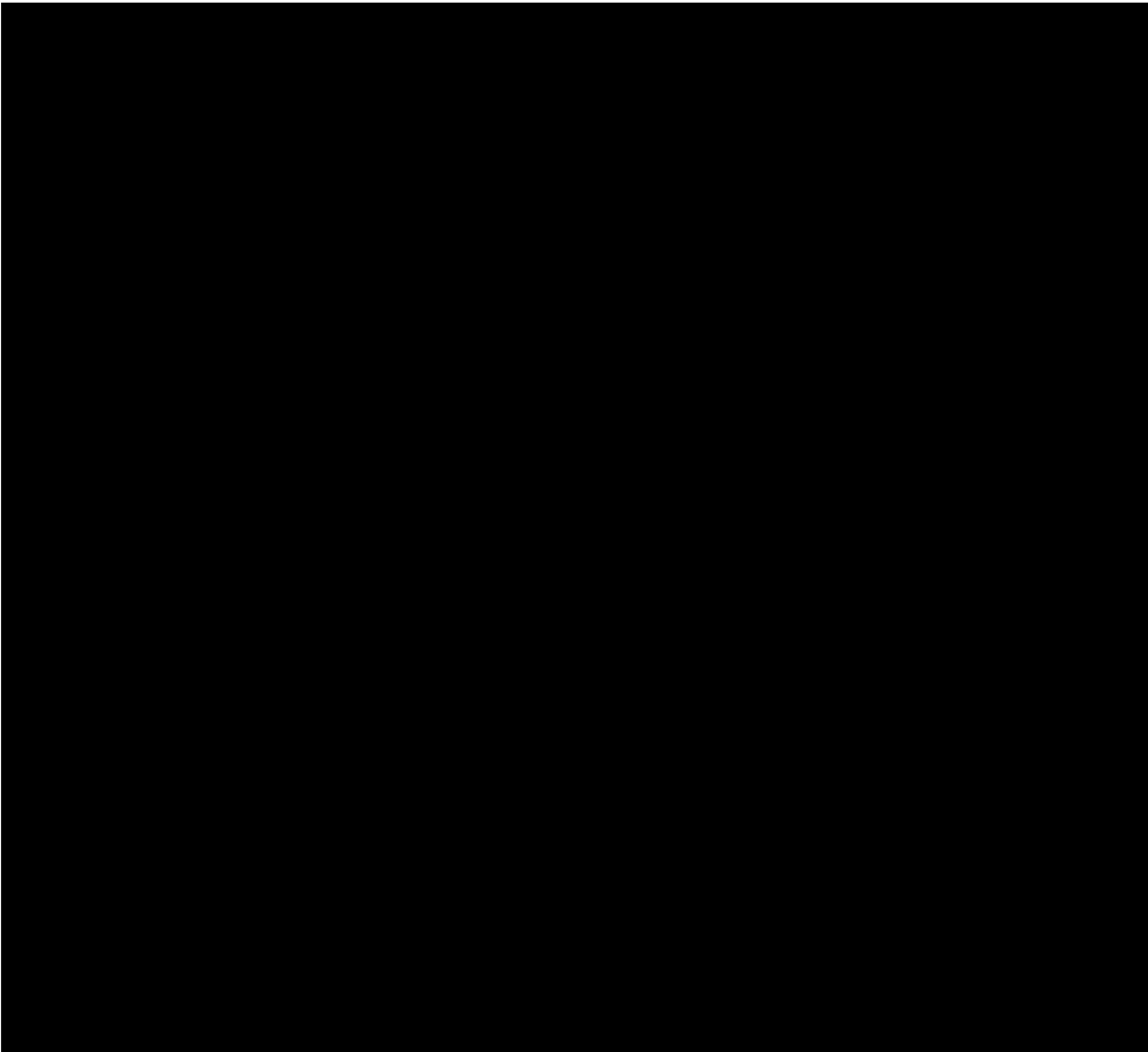
[REDACTED] opened by saying they had put a lot of effort into this process and wanted to speak to you before advice went up. [REDACTED]

This was a complex topic; hard to understand; we didn't have an industry body to rely on.

[REDACTED] They were concerned we had been speaking to smaller players who didn't offer scale and may be unable to deliver on what they'd told us. If we published a proposal which they couldn't comply with then it would be embarrassing for both of us.

You said you had read their submission. We had had lots of companies talking to us, and had spent a great deal of time speaking to Greensill. You were nonetheless happy to listen to their points but at this stage we had to listen to a range of views.

[REDACTED] ran through the points in the submission



pressed you for guidance on timing and next steps. You said it was probably a question of days not weeks before a decision but you didn't want to speak for the Chancellor on timing or what the decision would be, noting that this decision may need to dovetail with others. It was useful to have had the call which had allowed you to listen carefully to each of their key points, including some concerns which would mean they could not participate if we did not amend the proposal.



Readout 14th May Call

From [redacted]

Sent: 15 May 2020 12:22

To: Roxburgh, Charles - HMT

Subject: Note for record of Greensill call 14 May

Charles

At the Chancellor's request you took a call from Greensill last night.

You set out that no decision had yet been taken but the Chancellor had asked you to revert to them on two points. You wanted to give them a chance to reflect on them in case they would like to reconsider. These points were

1) UK SMEs

2) Dividends and Pay

You made clear that this was not a call designed to negotiate something in the middle. We may be asking for something they could not deliver and we understood that.

You said we would be asked whether the money was just for UK SMEs and other simple questions and idea sounded complicated. The governments schemes were subject to intense media, parliamentary and public scrutiny.

[REDACTED]

You asked what they thought of the idea previously discussed of customers drawing directly on the CCFF to do this off their own balance sheets. [REDACTED]

[REDACTED]

You asked them to reflect and get back to us by mid-morning. [REDACTED] asked whether, if they could find a solution to point 1, you thought the CX would be minded to proceed. You said that if they could not find a solution then he would not proceed, but you couldn't commit him beyond that.

[REDACTED]

Readout 15th May Call

Charles

You spoke to Lex and Bill Crothers earlier.

Bill said they'd addressed every point, their offer was even better than yesterday, tens of thousands of UK businesses will benefit. They had heard from me that there might be some sort of an announcement this evening and they would love to be a part of it.

You asked why they were so certain the money would go to UK SMEs. Lex clarified it would go to UK businesses, the vast majority of which will be SMEs. He confirmed it was by number not by value.

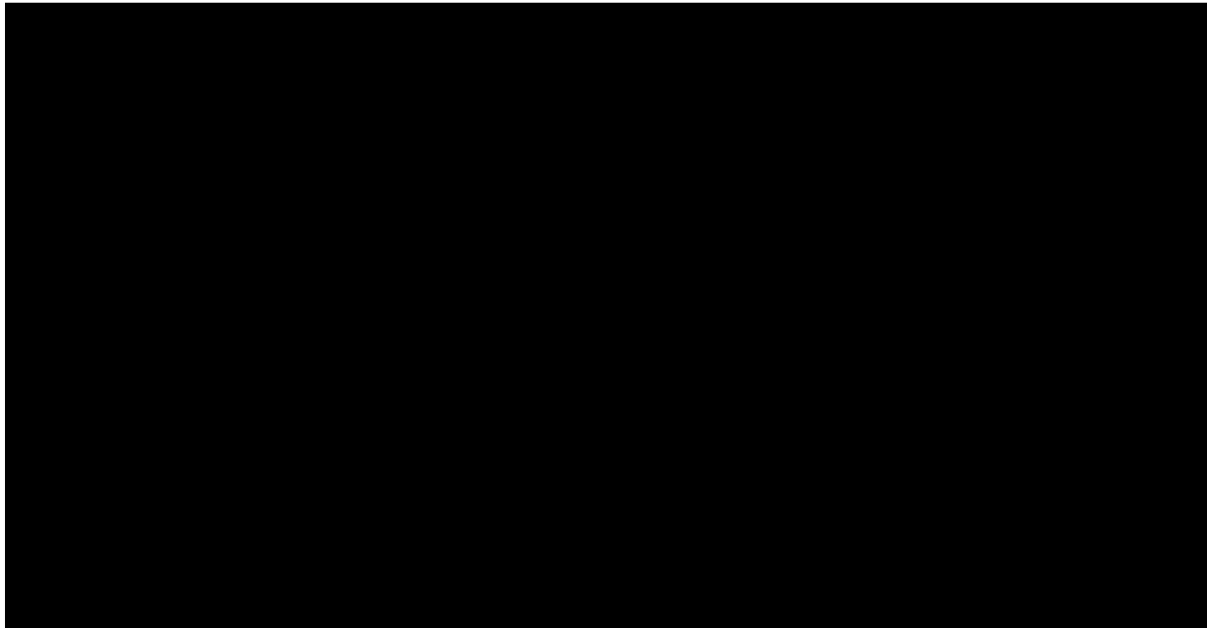
You asked them to expand on how they saw the "halo effect" working, in which BoE involvement would improve their funding situation. He said he was in frequent contact with investors and he knew that BoE involvement in the programme would unlock the market as it had in the financial crisis.

Readout 26th June Call

From: [REDACTED]
Sent: 26 June 2020 15:27
To: Roxburgh, Charles – HMT [REDACTED]
Subject: Readout of call with Greensill - 26 July 2020

Charles introduced the meeting and thanked [REDACTED] for taking the time to discuss this. He said that he wanted to get back to the company and let them know where ministers had got to. Charles explained that we will be writing to all of the Call for Evidence participants today to inform them that we will not be taking forward a scheme to extend the CCFF to SCF. Charles indicated that he knew Greensill would be disappointed, but wanted to explain why ministers had come to this conclusion given the effort Greensill had put into this matter.

Charles stated that, having considered matters fully, ministers' collective view is not to take forward this proposal. This was for the following reasons.



Charles therefore explained that, when this is all put together, ministers decided not to take this proposal forward.

█ thanked Charles for taking the time to set up the call and for the comprehensive readout. He acknowledged that the reasons seem to be fair. █ also thanked Charles and appreciated the consideration that had been undertaken by HMT – he indicated that he recognised how much work the team has put into this and how much consideration has been given. Whilst he indicated that he was disappointed, he explained that he understood and accepted the decision.

Charles indicated that we had genuinely put in a lot of time and that, when we started considering this proposal, the situation was looking different, but that we are all greatly relieved financial markets have come through this crisis and that he is pleased that the government's direct SME schemes are working. CBILS and BBLs have delivered financial support.

█ raised a separate question about CLBILS. He said that the programme has the capacity for providers to be able to provide facilities for greater than £50m up to £200m █

█ He indicated that he has been told by the BBB that such request can only be approved by HMT and asked whether this was something Charles would be able to consider. Charles indicated that he was not aware of this request, but that any decisions on extension are linked to risk models and the regulatory approval of risk models – this being a deliberate policy design choice, on the basis that £200bn is a significant exposure █

█ He said that he would follow up with HMT policy officials and check with the BBB as to the process here.





Charles concluded the meeting by thanking 

Emails

From: Roxburgh, Charles - HMT

Sent: 03 April 2020 14:12

To: [REDACTED]

Cc:

Subject: Covid Corporate Financing Facility (CCFF)

Dear [REDACTED]

Please find attached a letter re Covid Corporate Financing Facility (CCFF).

Best regards,

Charles

Charles Roxburgh | Second Permanent Secretary



HM Treasury

1 Horse Guards Road, London, SW1A 2HQ

www.hm-treasury.gov.uk



HM Treasury

1 Horse Guards Road
London
SW1A 2HQ

Charles Roxburgh
Second Permanent Secretary

3rd April 2020

Dear [REDACTED]

I am writing following our conversation on Monday evening in which we discussed my letter to you of the same date.

During the call you indicated you would be willing to revise your application to the Covid Corporate Financing Facility, [REDACTED]. I explained that while we were willing to consider this request, I could give no assurance that the Chancellor would revise his original decision. As agreed, I have consulted colleagues, and I have also obtained a view from the Chancellor.

As I explained in my earlier letter the CCFF was established to provide liquidity directly to non-financial corporates making a material contribution to the UK economy. Having considered the issue carefully, the Chancellor's view remains that revising the terms of the CCFF to [REDACTED] would be an extension of the purpose of the scheme, which would set a precedent at a time when the government is facing requests from many companies, including non-bank financial institutions, to extend the scope of its coronavirus support programmes.

The Chancellor's priority in the current circumstances is the programmes that provide direct support to firms, including the programmes that provide support directly to UK SMEs. His immediate priority for the CCFF is therefore to ensure it quickly delivers on its original purpose, and he has decided against extending it at this stage. This means we cannot consider your request further.

I realise that this is not the response that you were hoping for, and I would be happy to discuss this decision if that would be helpful.

Yours sincerely

[REDACTED]

Charles Roxburgh



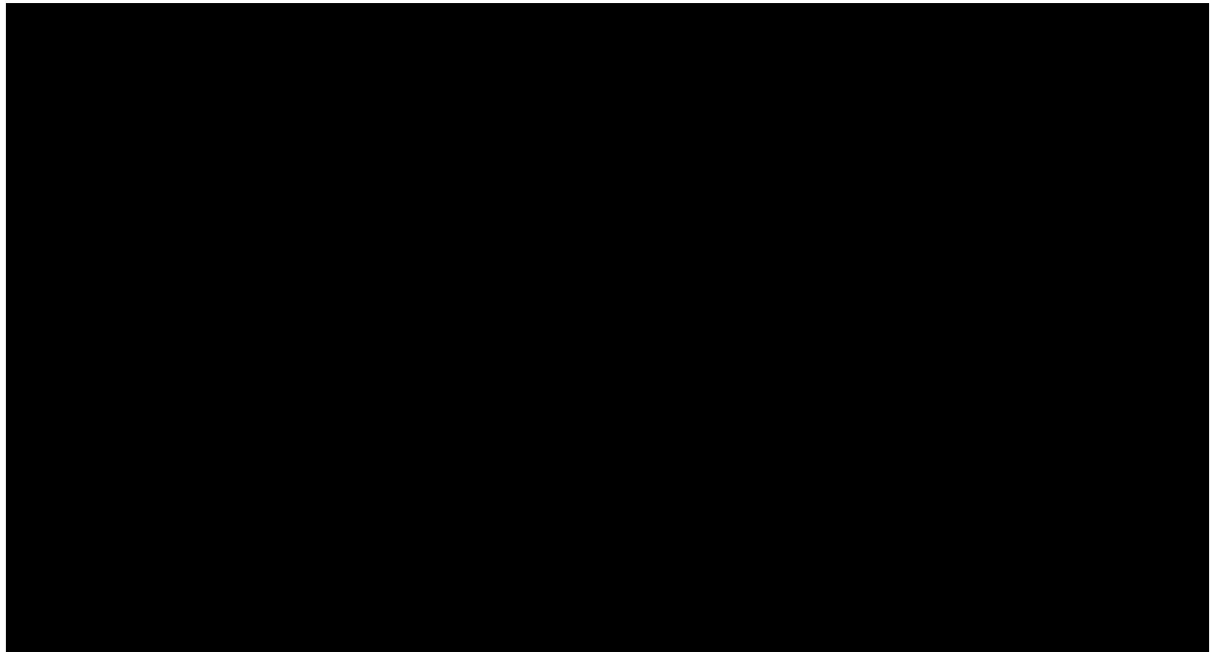
INVESTOR IN PEOPLE

From: [REDACTED]
Sent: 13 April 2020 19:12
To: Scholar, Tom - HMT ; Roxburgh, Charles - HMT
Cc: [REDACTED]
Subject: Greensill-CCFF
Importance: High

Dear Tom and Charles,

Thank you for your time and consideration last week. We appreciate your willingness to consider the needs of those of our clients who make a material contribution to the UK economy - and their supply chains.

As discussed on our call, and with your guidance, we propose the following:



Initially, we propose to approach the Bank of England [REDACTED] as soon as we have your confirmation. The intent would be that other eligible clients may apply post that time.



To that end, would it be possible for us to speak briefly tomorrow to confirm or to hear your feedback on the above?

Thank you in advance. Your timely support is invaluable and most appreciated. It will quickly facilitate a material flow of liquidity to suppliers at all levels of the economy.

Warmest regards,



From: Roxburgh, Charles - HMT

Sent: 15 April 2020 19:18

To: [REDACTED]

Cc: Scholar, Tom - HMT; [REDACTED]

Subject: CCFF

Dear [REDACTED]


Thank you for your email of 13th April which we have reviewed in detail.

Unfortunately the structure you have outlined doesn't address our central problem which is that the CCFF is setup to lend on an unsecured basis, to UK companies making a material contribution to the UK economy, who are not inherently financial companies (among other eligibility criteria in the Market Notice).

[REDACTED]

The alternative option that I proposed on the phone is similar but would work within the scheme rules as they are now.

[REDACTED]



This approach would be entirely consistent with the current scheme rules, could be implemented very quickly and delivers the same outcome as your proposal.

We and the Bank would be happy to discuss the details of this approach and could move ahead quickly on this basis.

Best regards,

Charles

Charles Roxburgh | Second Permanent Secretary



HM Treasury

1 Horse Guards Road, London, SW1A 2HQ

www.hm-treasury.gov.uk

From: [REDACTED]
Sent: 16 April 2020 10:21
To: [REDACTED]
Cc: Roxburgh, Charles - HMT
Subject: Re: Connecting you....eom

[REDACTED]

Good to meet you by email. I am introducing [REDACTED] who is [REDACTED]

Charles has agreed to hold a short call with us today ([REDACTED], Charles and [REDACTED]) say for 30 minutes.

We will make ourselves available as required as this is both important and urgent.

Your kind assistance is much appreciated.

Jade will be in touch directly with you.

Warmest regards

[REDACTED]

From: Roxburgh, Charles - HMT
Sent: 16 April 2020 10:12
To: [REDACTED]
Subject: Connecting you....eom

From: Roxburgh, Charles - HMT

Sent: 16 April 2020 14:38

To: [REDACTED]

Cc: Scholar, Tom – HMT; [REDACTED]

Subject: RE: CCFF

Dear [REDACTED]

We are due to speak later. Ahead of that I wanted to flag that my email to you contained an error which I thought had been removed prior to sending. I have marked the required corrections below.

I apologise for any confusion this may have caused.

Best regards,

Charles

Charles Roxburgh | Second Permanent Secretary



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From: Roxburgh, Charles - HMT

Sent: 15 April 2020 19:18

To: [REDACTED]

Cc: Scholar, Tom – HMT [REDACTED]

Subject: CCFF

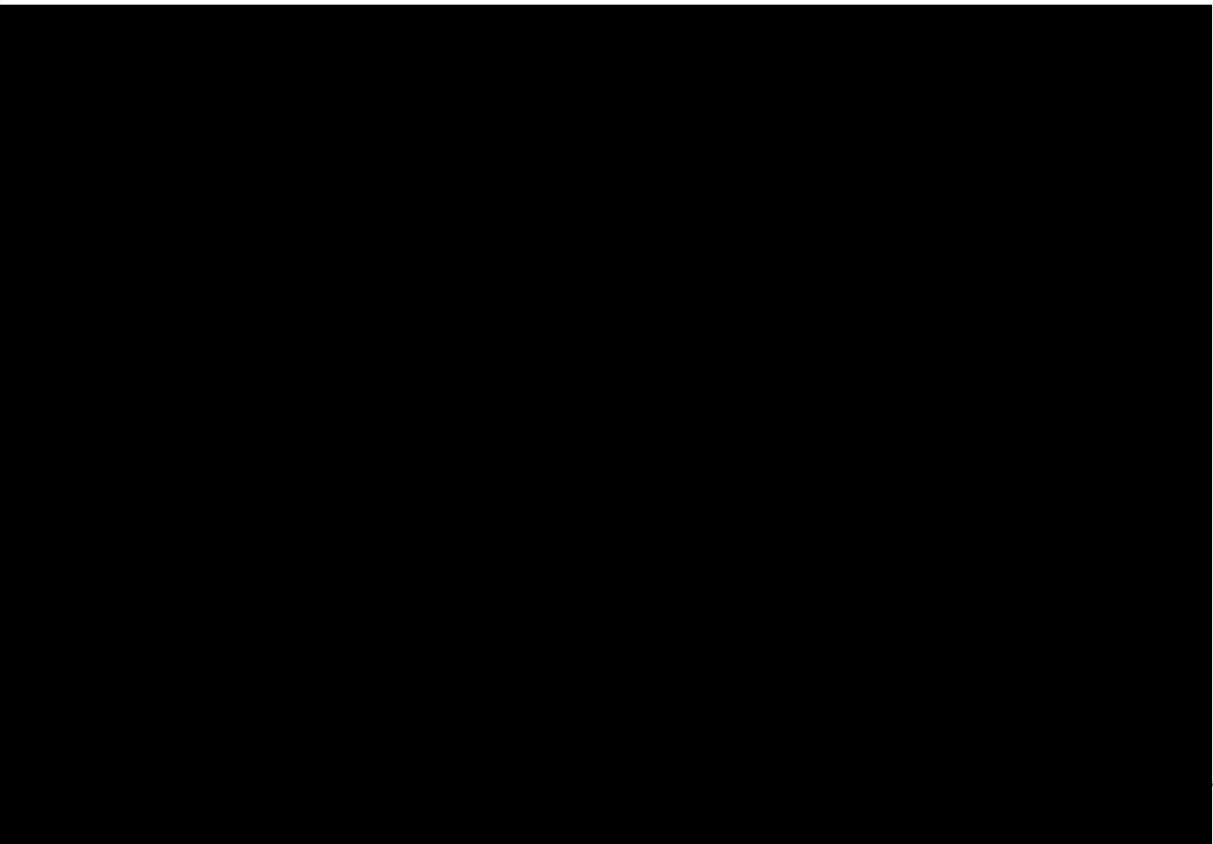
Dear [REDACTED]

Thank you for your email of 13th April which we have reviewed in detail.

Unfortunately the structure you have outlined doesn't address our central problem which is that the CCFF is setup to lend on an unsecured basis, to UK companies making a material contribution to the UK economy, who are not inherently financial companies (among other eligibility criteria in the Market Notice).



The alternative option that I proposed on the phone is similar but would work within the scheme rules as they are now.



This approach would be entirely consistent with the current scheme rules, could be implemented very quickly and delivers the same outcome as your proposal.

We and the Bank would be happy to discuss the details of this approach and could move ahead quickly on this basis.

Best regards,

Charles

Charles Roxburgh | Second Permanent Secretary



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1 Horse Guards Road, London, SW1A 2HQ

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From: [REDACTED]
Sent: 16 April 2020 14:41
To: Roxburgh, Charles - HMT [REDACTED]
Cc: Scholar, Tom - HMT [REDACTED]
Subject: Re: CCFF

Charles

Many thanks. We had spotted that but thank you for clarifying.

Look forward to talking soon.

Warmest regards

[REDACTED]

From: [REDACTED]
Sent: 25 April 2020 17:21
To: Roxburgh, Charles - HMT
Cc: [REDACTED]
Subject: Greensill - CCFF

Dear Charles,

Thank you very much indeed for your time yesterday.

[REDACTED]

Should your colleagues, the Bank of England or their legal advisors wish to discuss same, we are happy to make ourselves available anytime.

[REDACTED]

Warmest regards,

[REDACTED]

Bill Crothers to Charles Roxburgh, 12th May

Charles, We have outlined a very thoughtful response on what we realise can be a complex topic. The prize remains huge and can be delivered quickly. We are concerned that your team may be receiving confusing messages from relatively small players who cannot implement quickly nor at at scale. It is absolutely important that what you announce is available to many providers, though we would also say that it is important that it can deliver at scale, impact, and speed. We would respectfully ask that we could have a call with you before you put up advice to the Cx as our fear is that an opportunity for impact and speed may be missed. Warmest regards, Bill

From [REDACTED]

Sent: 14 May 20:41

To: Roxburgh, Charles - HMT

Cc: [REDACTED]

Subject: Response to discussion earlier this evening, re SCF CCFF amendment, urgent

Dear Charles,

Thank you very much for your time this afternoon.

We have reflected carefully upon your feedback that there must be a clear nexus that capacity provided under the SCF CCFF scheme catalyses new credit for the direct, and exclusive, benefit of UK businesses.



We believe this addresses the Chancellor's concern and shows that this intervention of the Bank will catalyse extensive credit creation for UK businesses for the UK economy as a whole.

■ and I are available anytime this evening or early tomorrow morning if you would like to discuss same.

From: Roxburgh, Charles - HMT

Sent: Friday, May 15, 2020 8:04:04 AM

To: [REDACTED]

Cc: [REDACTED]

Subject: Re: Response to discussion earlier this evening, re SCF CCFF amendment, urgent

[REDACTED]
Thank you for this quick response.

As you can imagine we are keen to ensure that any statement such as this can stand up to the scrutiny that we would expect it to get.

So it would be helpful if you could set out how this would work in a little more detail.

Specifically, could you give us responses to these questions which we could well get.

[REDACTED]

Finally, for the direct beneficiaries of the CCFF SCF facility, is there any estimate you can give of the percentage that would be UK SMEs?

Best regards

Charles

From: [REDACTED]

Sent: 15 May 2020 08:10

To: Roxburgh, Charles - HMT

Cc: [REDACTED]

Subject: Re: Response to discussion earlier this evening, re SCF CCFF amendment, urgent

Charles,

Thank you for your considered response.

We are looking now.

Would you be free for a call to discuss this morning please, though give us a little time to craft answers to each of your points.

Warmest regards

[REDACTED]

From: [REDACTED]

Sent: 15 May 2020 08:20

To: Roxburgh, Charles - HMT

Subject: Re: Response to discussion earlier this evening, re SCF CCFF amendment, urgent

Charles,

What is the timing consideration please to respond? We thought the you had an 11.00 or so deadline this morning? If is longer, we can work with that.

We would be very keen to be able to close this off with you, perhaps at end today and we can have a call with [REDACTED] during the day in advance.

Would that work perhaps?

[REDACTED]

From: Roxburgh, Charles - HMT

Sent: 15 May 2020 08:22

To: [REDACTED]

Cc: [REDACTED]

Subject: RE: Response to discussion earlier this evening, re SCF CCFF amendment, urgent

[REDACTED] will check with Private office.

From: [REDACTED]

Sent: Friday, May 15, 2020 8:56:00 AM

To: Roxburgh, Charles - HMT [REDACTED]

Subject: RE: Response to discussion earlier this evening, re SCF CCFF amendment, urgent

[REDACTED]

Could we find a slot this morning? I will let you know if there is a change in the timing, but there isn't currently. I can do any time

[REDACTED]

From: [REDACTED]

Sent: 15 May 2020 09:04

To: [REDACTED] Roxburgh, Charles - HMT

Subject: Re: Response to discussion earlier this evening, re SCF CCFF amendment, urgent

[REDACTED]

That would be great. We can do now so perhaps say 9.30? Assume just you on this call?

Let me know and we will set up.

Thx

[REDACTED]

From: [REDACTED]
Sent: 15 May 2020 11:08
To: Roxburgh, Charles - HMT
Cc: [REDACTED]
Subject: Response to questions re SCF CCFF

Dear Charles,

This note responds below to each of your questions from your email sent this morning.

Firstly, though, can we be clear that:

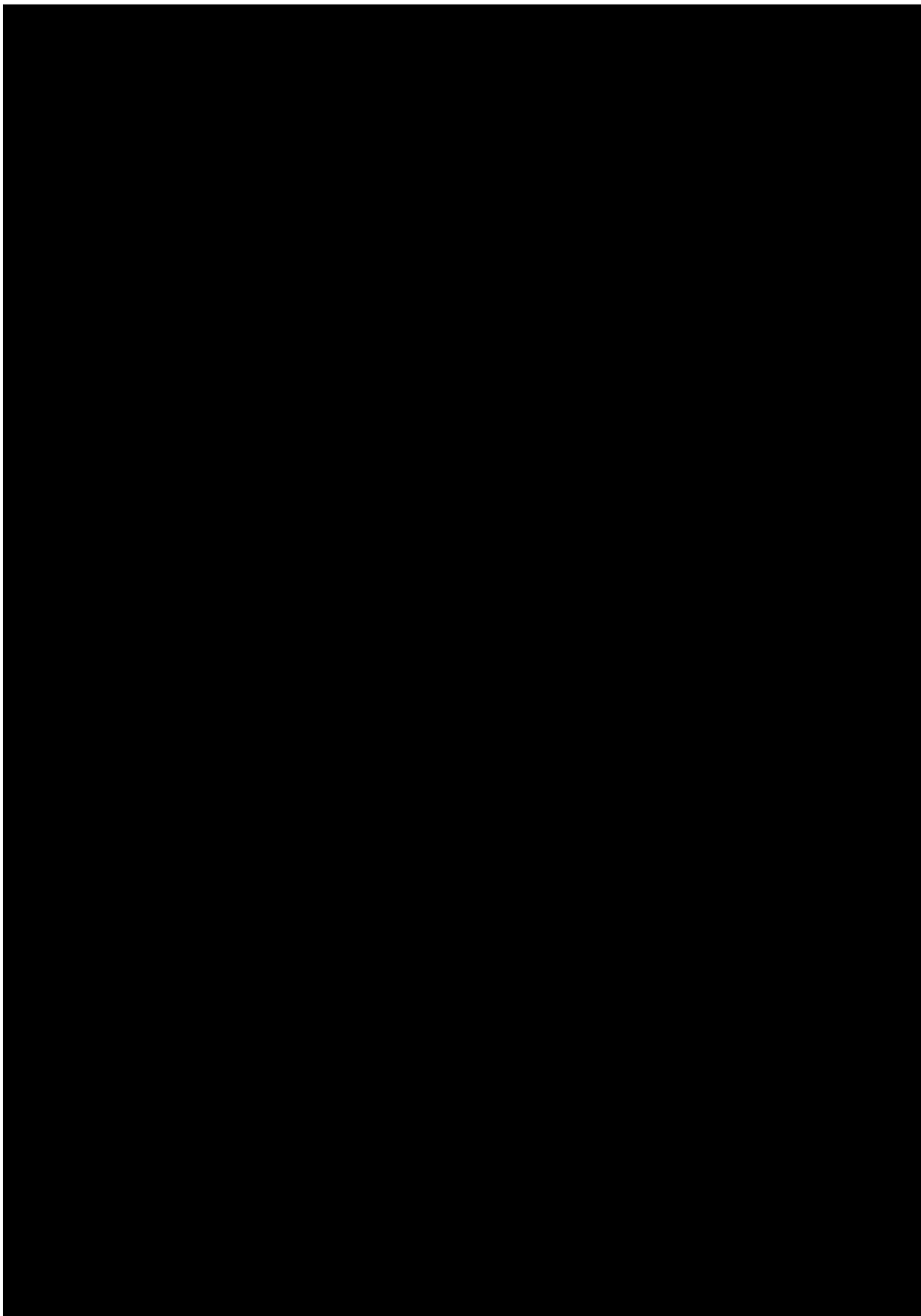
[REDACTED]

This therefore surely addresses the Chancellor's concern and shows that this intervention is actually [REDACTED]

No-one in the public domain thinks that SCF programmes are for UK SMEs only – so there is no need to focus your objective solely on them. [REDACTED]

Taking each of your points in turn.


[REDACTED]



Warmest regards,


From: Bill Crothers

Sent: 15 May 2020 14:15

To: : Roxburgh, Charles - HMT

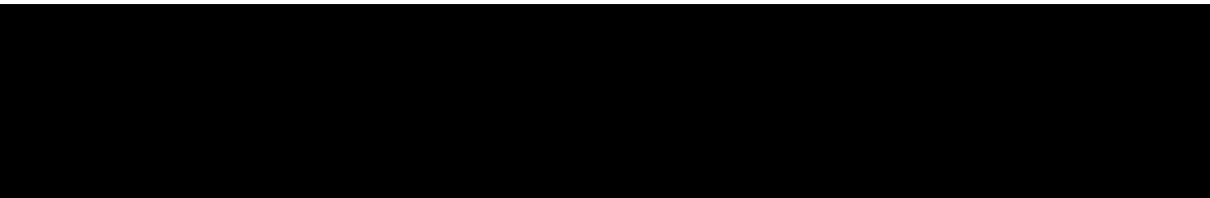
Cc: 

Subject: RE: Response to questions re SCF CCFF

Charles,

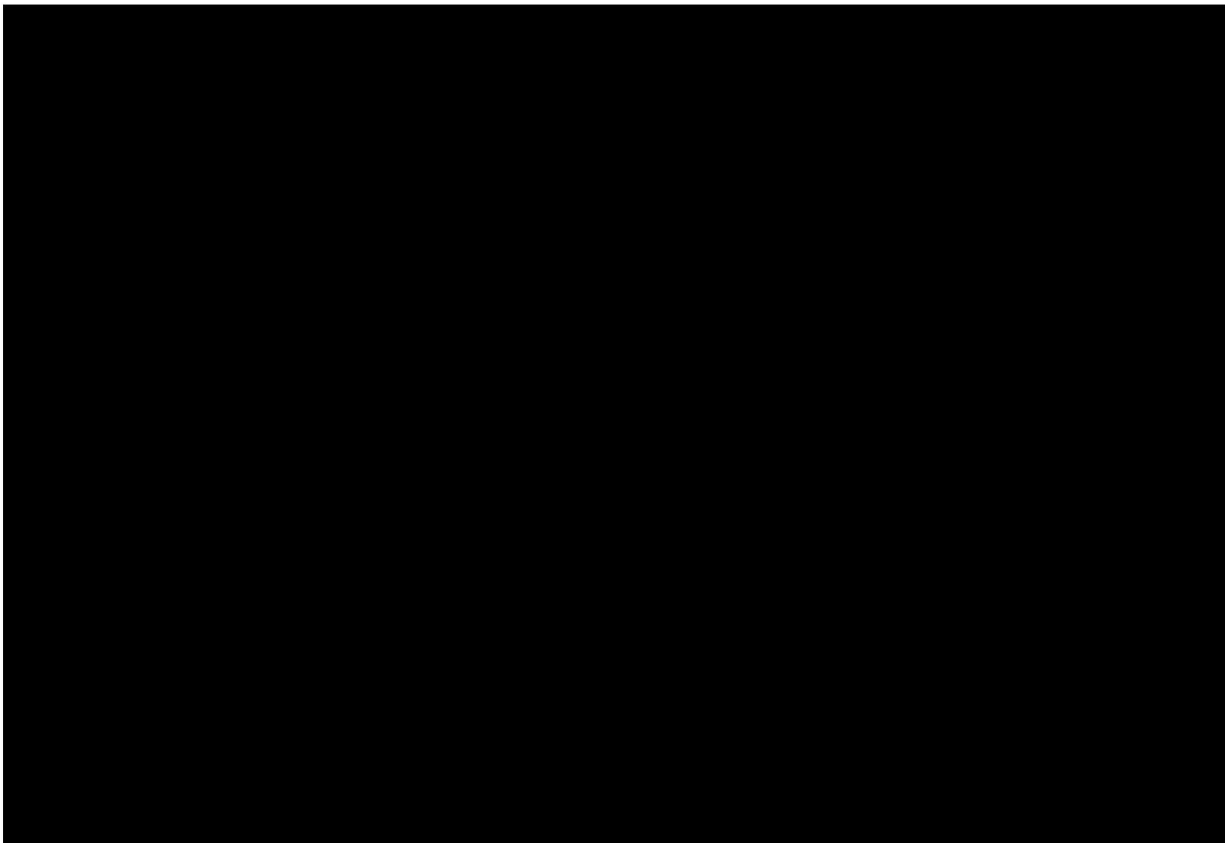
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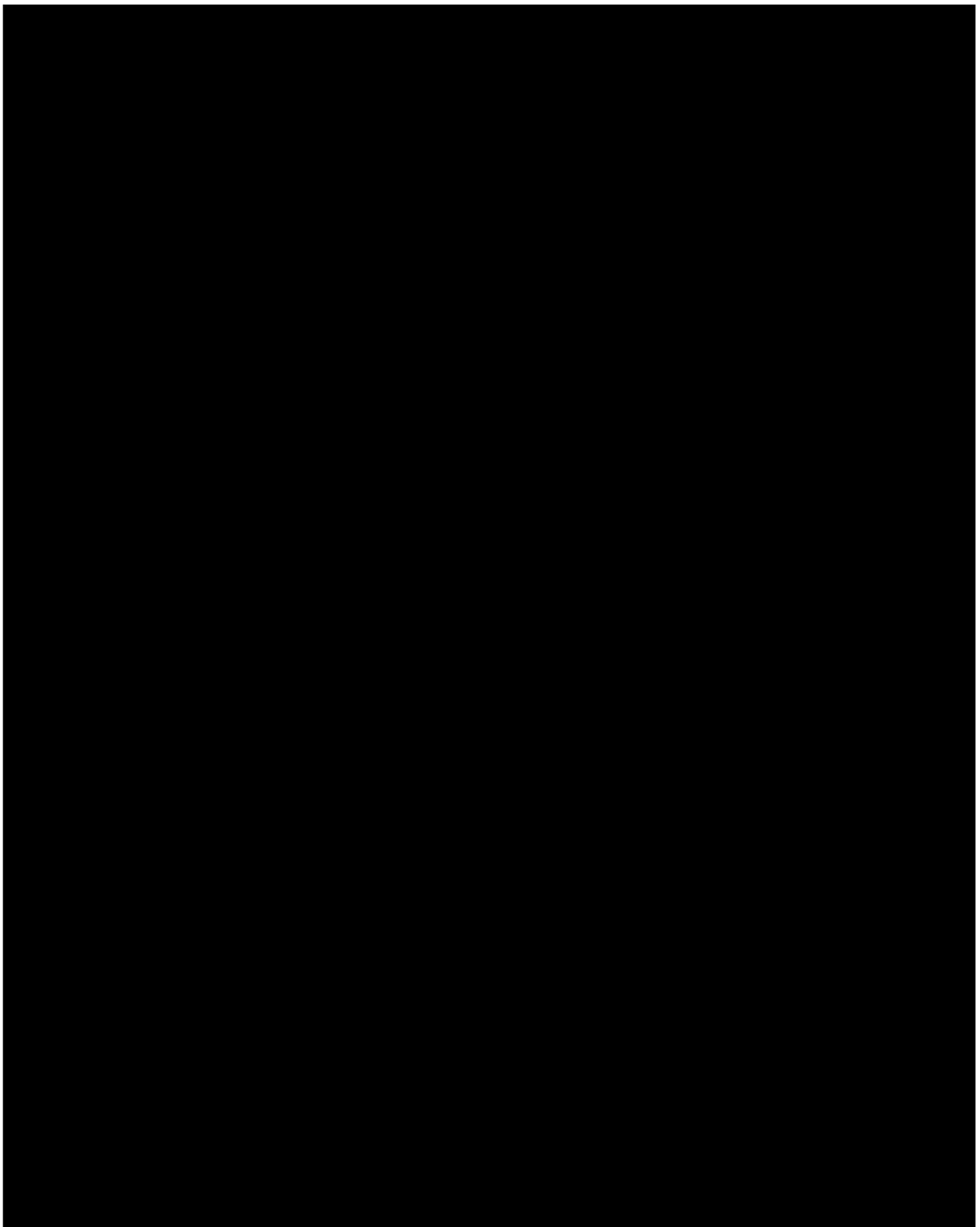
Firstly, though, can we be clear that:



This therefore surely addresses the Chancellor's concern and shows that this intervention of the Bank will focus extensive credit creation for many thousands of UK businesses (suppliers).

Taking each of your points in turn.





We look forward to talking at 13.30 today and are hopeful that you will feel able to recommend to the Cx to proceed today. We are of course available to talk earlier if needed.

Warmest regards



From: Roxburgh, Charles - HMT

Sent: 18 May 2020 17:03

To: [REDACTED]

Cc: [REDACTED]

Subject: Supply Chain Finance

Dear [REDACTED]

First I would like to thank you for your engagement with us and the Bank of England over recent weeks in exploring a potential extension to the scope of the CCFF facility in order to channel funding to UK SMEs.

I am writing to inform you that, after careful thought, the Chancellor has decided not to go ahead with the scheme.

Based on all the responses received to the call for evidence, and taking account of your own submissions, he concluded that the proposal described in our call for evidence would not be likely to bring sufficient benefits to UK SMEs. Instead he feels that the government should at this time prioritise its other schemes to support firms through the current economic uncertainty.

[REDACTED]

I understand that this will be disappointing. We will circulate a short note to all respondents to the call for evidence in due course.

With best wishes,

Charles

Charles Roxburgh | Second Permanent Secretary



HM Treasury

1 Horse Guards Road, London, SW1A 2HQ

www.hm-treasury.gov.uk

From: Bill Crothers

Sent: 18 May 2020 17:14

To: Roxburgh, Charles – HMT; Lex Greensill

Cc: [REDACTED]

Subject: Re: Supply Chain Finance

Charles,

Thank you for your email. We have continued to think about this as it is so very important for tens of thousands of UK businesses.

[REDACTED]

We realise that it is a last gasp, we will be back to you on this shortly.

Warmest regards

[REDACTED]

From [REDACTED]

Sent: 18 May 2020 19:53

To: Roxburgh, Charles - HMT

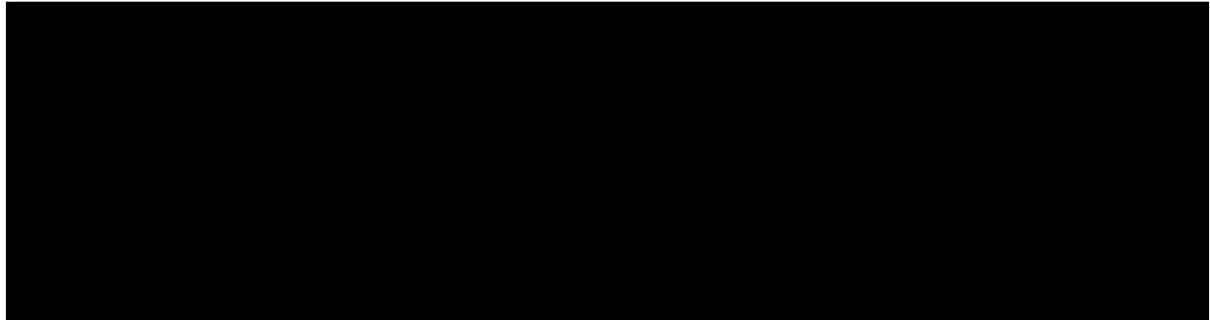
Cc: [REDACTED]

Subject: Urgent re SCF CCF

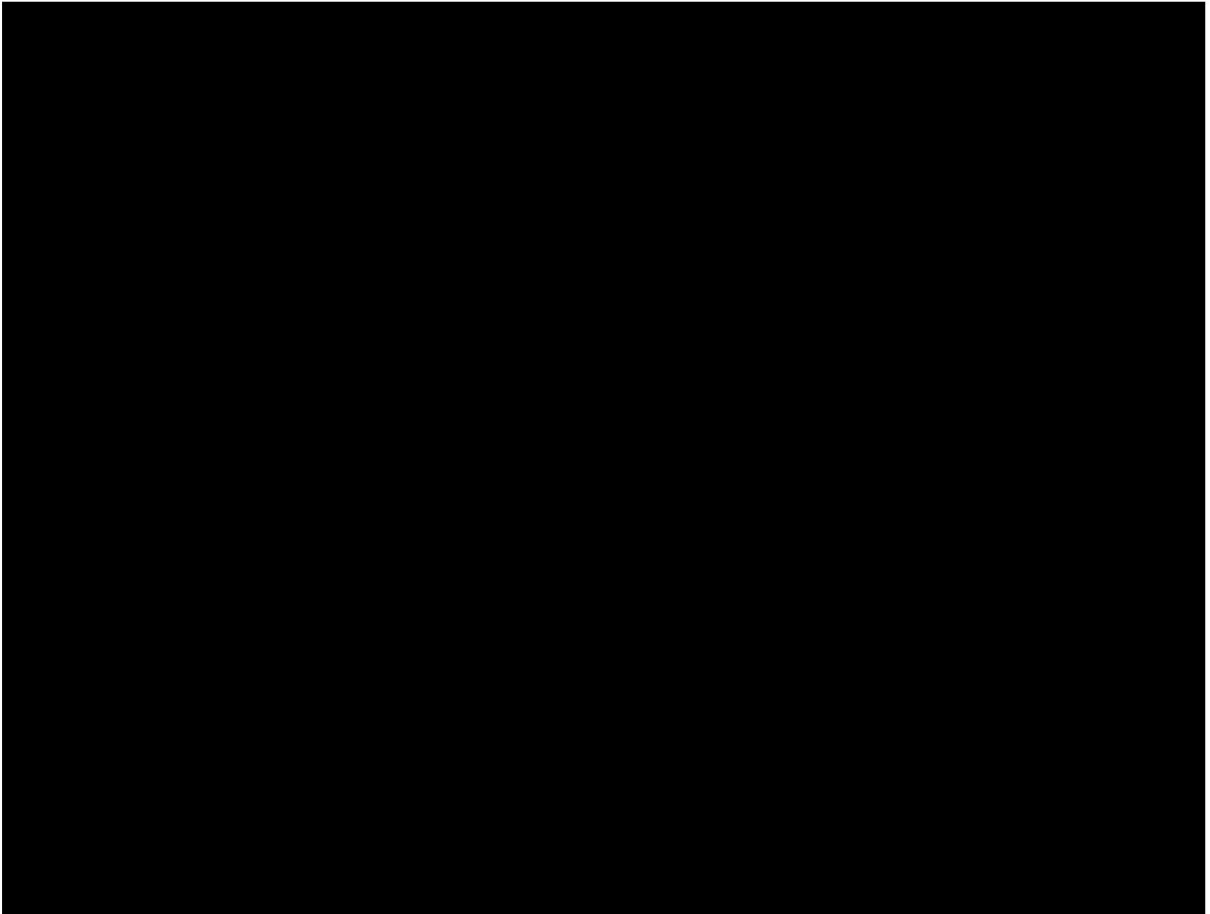
Charles,

Sometimes a solution which seems obvious is only so once discovered!

We realise that we have stretched your patience, but this is worth the prize for 100,000 UK companies. We have now ***realised a way to meet your goal that is simple and elegant*** - *we regret not having thought of it earlier especially as it is now obvious to us.*



We would please ask you to consider the following.



If you could spare 15 minutes, we are confident that you will see the simplicity of this and how we can rapidly meet your goal.

Warmest regards

[REDACTED]

From: Roxburgh, Charles - HMT >
Sent: Monday, May 18, 2020 8:26:26 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Urgent re SCF CCFF

[REDACTED]

Thanks for your message.

We will be happy to look at this new proposal, but it is simply too late to affect the announcement that is going out tomorrow morning.

So we will look at this proposal over the coming days and get back to you.

Best regards,

Charles

From: [REDACTED]
Sent: 18 May 2020 20:52
To: Roxburgh, Charles - HMT
Subject: Re: Urgent re SCF CCFF

Charles

I understand. We are embarrassed but truly feel this completely meets your goal and is simple and elegant for you. We are annoyed that we missed it.

If there was any way at all to get it in this cycle it would be a big benefit. It achieves what you want.

Warmest regards

[REDACTED]

From: Charles Roxburgh

Sent: 18 May 2020 21:00

To [REDACTED]

Subject: RE: Urgent re SCF CCFF

We've signed off on all the materials. It is too late for this cycle, but we will look at it

Best regards

Charles

From: Roxburgh, Charles - HMT

Sent: 11 June 2020 17:22

To: [REDACTED]

Subject: Your message

[REDACTED] thanks for your message. We are still considering matters and will be back in touch when we have some news for you. Best regards, Charles

Charles Roxburgh | Second Permanent Secretary

From: [REDACTED]

Sent: 11 June 2020 17:29

To: Roxburgh, Charles - HMT

Subject: Re: Your message

Charles,

Many thanks. We will wait to hear.

Warmest regards

[REDACTED]

From: [REDACTED]
Sent: 25 June 2020 12:04
To: Roxburgh, Charles - HMT
Cc: [REDACTED]
Subject: Re: Meeting tomorrow

Thank you Charles

[REDACTED]

From: Roxburgh, Charles - HMT
Sent: 25 June 2020 11:58
To: [REDACTED]
Cc: [REDACTED]
Subject: Meeting tomorrow

[REDACTED]
Tomorrow's fine. Please can your assistant link up with [REDACTED] to fix a time

Best regards,

Charles

From: [REDACTED]
Sent: 26 June 2020 14:22
To: Roxburgh, Charles - HMT
Cc: [REDACTED]
Subject: CCFF for SCF, thank you

Charles,

On behalf of [REDACTED], and all of our team at Greensill, we would like to say a quick thank you for the efforts that you and your colleagues in HMT and the Bank put in to closely examine this idea to help improve available finance for UK SMEs.

Whilst we are disappointed, we thank you for your professionalism and diligence in considering this idea closely and across the range of possible market participants.

Charles, thank you also for the courtesy in taking the time to call us today to explain your decision. That was kind and thoughtful and greatly appreciated.

If we can ever be of assistance to you please do let us know.

Warmest regards

[REDACTED]