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Government-backed Loans Help Thousands of Businesses to Protect Jobs During Pandemic

United Kingdom: Her Majesty's Treasury

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Government-backed loans help thousands of businesses to protect jobs during pandemic

HM Treasury

- new statistics reveal that three Bounce Back Loans were issued every minute since May 2020 launch
- emergency loans provided almost £180 billion in total since March 2020
- the Covid Corporate Financing Facility (CCFF) scheme alone supported firms responsible for 2.5 million jobs

The Treasury's final monthly update on its emergency loan schemes – the Bounce Back Loan Scheme, Coronavirus Large Business Interruption Loan Scheme, Coronavirus Business Interruption Loan Scheme, and the Covid Corporate Financing Facility – show that more than 1.6 million firms benefited from support to keep them trading and protect jobs and livelihoods.

In total, these schemes have provided almost £180 billion worth of lending to date, supporting over a quarter of businesses in the UK. The CCFF alone has directly supported firms that employ almost 2.5 million people in the UK, including those in the car industry, travel, hospitality, and high street stores.

The Chancellor of the Exchequer, Rishi Sunak, said:

I said we would do whatever it takes to protect jobs and livelihoods and that is exactly what we have done.

I'm delighted that our Bounce Back Loan scheme worked so effectively that it issued three loans every minute since its launch last May. That means every 20 seconds a hardworking small business owner benefited from this support.

We'll continue to protect jobs through our new Recovery Loan Scheme – part of our wider Plan for Jobs – as we move out of this crisis.

Craig Beaumont, Chief of External Affairs at FSB, said:

1.6 million small businesses have now been helped to keep going through an awful year by securing Bounce back loans. As the unlock takes place, the economic recovery will rely on the successor scheme to fire on all cylinders.

Loan Type	Value of Facilities Approved	Number of Facilities Approved
Coronavirus Business Interruption Loan Scheme (CBILS)	£23.28bn	98,344
Coronavirus Large Business Interruption Loan Scheme (CLBILS)	£5.30bn	716
Bounce Back Loan Scheme	£46.53bn*	1,531,095

Covid Corporate Financing Facility (CCFF)	£104bn of commercial paper **	304
Total financing	£179.11bn	1,630,459

[As of 21 March 2021]

CBILS, CLBILS and BBLs close for new applications next week (31 March 2021). A new Recovery Loan Scheme will open to applications on Tuesday 6 April to ensure support is still available for those who still need it.

The Recovery Loan Scheme will run until 31 December 2021 and will ensure lenders continue to have the confidence to provide support, and viable businesses can access Government-backed finance throughout 2021 following the disruption of the pandemic.

The CCFF also closed to new issuance from 23 March 2021. It will continue to provide finance for firms with outstanding loans in the scheme until March 2022 at the latest.

A further £1.12 billion of funding has been provided to 1,140 high growth firms through the Future Fund. This scheme, which closed on the 31st January, was designed to support innovative UK companies that typically rely on equity investment and whose access to investment was affected by Covid-19. The new Future Fund: Breakthrough scheme will launch in early summer of 2021.

Further information:

- The Recovery Loan Scheme operates UK-wide, providing an 80% guarantee to lenders for term loans, overdrafts, and invoice and asset finance. The maximum loan size across all products is £10 million; the minimum loan size is £25,000 for term loans and overdrafts, and £1,000 for invoice and asset finance.
- Once received, the finance can be used for any legitimate business purpose, including growth and investment. The scheme will be administered by the British Business Bank via a diverse network of accredited commercial lenders. Any business trading in the UK is eligible to apply, and applicants will need to demonstrate to lenders that they are viable (or would be were it not for the pandemic) and have been impacted by the pandemic.

*The value of BBLs facilities approved includes BBLs loans which have been 'topped-up'. One topped up loan will still be reported as one loan to avoid double counting the number of facilities approved.

**The approved value refers to the total credit line for all 304 eligible firms, which peaked at c. £104bn. The total issued into the scheme by 107 firms was c. £38bn.