



Department for
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Dear Sam

INTRODUCTION OF THE BOUNCE BACK LOAN SCHEME

Thank you for your letter dated 1 May 2020, relating to the introduction of the Bounce Back Loan Scheme (BBL). I have considered the content of your letter carefully.

The Coronavirus Business Interruption Loan Scheme (CBILS) introduced on March 23 and the Coronavirus Large Business Interruption Loan Scheme (CLBILS) introduced on April 20 are already collectively offering support to thousands of businesses.

As you rightly say, the potential importance of this funding cannot be overstated given the seriousness of the economic circumstances that we face as a result of Covid-19.

I share your view that whilst under CBILS and CLBILS the Government has taken material steps to support small and medium sized enterprises, there are still smaller businesses which need a simple, quick, easy solution for a loan.

We both agree that the potential economic damage from Covid-19 continues to create a strong case for Government intervention, and we know that there is a risk that some businesses, that would otherwise survive, are in danger of missing out on support.

I note the BBL scheme risks highlighted in your letter, however I believe that these risks are outweighed by the need to get support to small businesses as quickly as possible, which the BBL scheme will aim to deliver.

The Chancellor and his officials have given me approval to proceed and I am prepared to provide support for the introduction of this scheme as soon as practicable. I am therefore formally directing you as Accounting Officer to take this forward with immediate effect.

I note that your letter and this reply will be published in due course, once the loan scheme is fully established and after you have made an assessment of the potential impact that making this request public might have on the confidence and take-up of the scheme, and consequently on our efforts to support the economy. I would be grateful if that assessment could be shared with me ahead of publication.

I am copying this letter to the Comptroller and Auditor General and the Treasury Officer of Accounts.

Best wishes,


THE RT HON ALOK SHARMA MP
Secretary of State for Business, Energy & Industrial Strategy