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22 March 2020

Dear Alex,

INTRODUCTION OF CORONAVIRUS BUSINESS INTERRUPTION LOAN SCHEME

Thank you for your letter of 22 March 2020.

I have decided to issue a Ministerial Direction for the Coronavirus Business Interruption Loan Scheme.

As you rightly highlight in the current circumstances there are a number of good reasons to justify the introduction of this scheme. Without the Government intervening, there are very real risks faced by a large number of businesses in the UK. This would result in a large number of jobs being lost, which would have a significant long-term impact on the national economy. As you note in your letter, the speed at which events have unfolded has not allowed sufficient time for a full value for money assessment to be undertaken. Nonetheless I believe the economic case for action is compelling.

Whilst agreement for some of the elements of this Scheme are subject to State Aid approval, I believe in the current set of circumstances that we cannot afford to delay introduction of this scheme even for a few days. I note that these are temporary measures, being implemented in extraordinary circumstances. In light of this, and of the advice I have received from officials, I believe that there is sufficient likelihood that the Commission will ultimately support the steps that the Government is taking to provide support to businesses affected by the Coronavirus pandemic.

As a result, I am prepared to provide support for the introduction of this scheme. I am therefore formally directing you as Accounting Officer to take this forward with immediate effect.

I am copying this letter to the Comptroller and Auditor General and the Treasury Officer of Accounts and note that your letter and this reply will be published once any confidentiality requirements fall away.

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