

Chancellor expands loan scheme for large businesses

- All viable businesses with turnover of more than £45m will be able to apply for UK Government-backed support;
- Firms with turnover of more than £250 million can borrow up to £50 million from lenders;
- This complements existing support including the Covid Corporate Financing Facility and the Coronavirus Business Interruption Loan Scheme.

A UK government-backed loan scheme for large businesses affected by coronavirus has been expanded to cover all viable firms, the Chancellor announced today.

Outlining further details of the Coronavirus Large Business Interruption Loans Scheme (CLBILS) ahead of its launch on Monday, Rishi Sunak said all firms with a turnover of more than £45 million will now be able to apply for up to £25 million of finance, and up to £50 million for firms with a turnover of more than £250 million.

Business with turnovers of more than £500 million were originally not eligible for the scheme, which is being set up to help firms who do not qualify for the existing Coronavirus Business Interruption Loan Scheme – for small and medium sized businesses – and the Bank of England Covid Corporate Financing Facility – for investment grade companies. The move, which comes after extensive consultation with businesses, will ensure even more firms are able to benefit from UK Government support.

The Chancellor of the Exchequer, Rishi Sunak, said:

I want to ensure that no viable business slips through our safety net of support as we help protect jobs and the economy. That is why we are expanding this generous scheme for larger firms.

This is a national effort and we'll continue to work with the financial services sector to ensure that our £330 billion of government support, through loans and guarantees, reaches as many businesses in need as possible.

Secretary of State for Wales, Simon Hart, said:

We are completely committed to protecting businesses of all sizes during this emergency. By expanding this scheme to cover even more businesses, we are ensuring that as many companies as possible across the UK can access the support they need.

The UK Government will continue to do whatever it takes to help all those who need it. The £330 billion of UK Government support for businesses small and large will help us to get through this emergency together, protecting jobs and the economy while we work to tackle the coronavirus.

The Business Secretary, Alok Sharma, said:

Coronavirus has struck a heavy blow against businesses of all sizes across the UK. Expanding this scheme will provide larger firms with the support they need during the pandemic, helping to provide job security to thousands of people and protect our economy.

The UK Government will provide lenders with a guarantee of 80% on each loan to give lenders further confidence in continuing to provide finance.

The scheme will be available through a series of accredited lenders, which will be listed on the British Business Bank website.

This support complements the unprecedented help available for businesses large and small, including CBILS, CCCFF, tax deferrals, the Coronavirus Job Retention Scheme, cash grants for small businesses, and covering the cost of statutory sick pay.

The UK Government recognises many start up and early stage companies are facing challenges and are working with industry to assess these and consider further ways to offer support.

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