

Government scheme that protected millions of jobs with £38 billion of support lent to businesses closes today

- The Covid Corporate Financing Facility which provided a quick and cost-effective way to raise working capital for large firms comes to an end, with every penny repaid.
- The Bank of England facility provided almost £38 billion of support to more than 100 of the UK's biggest firms, and made a profit for the taxpayer whilst protecting millions of jobs.
- Firms that employ almost 2.5 million people were directly supported including those in the car industry, travel, hospitality, and high street stores.

Household names, such as Gatwick Airport, the Football Association and the National Trust, were among more than 100 of the UK's biggest employers that benefitted from the Covid Corporate Financing Facility (CCFF). The scheme has recouped every penny that was lent – plus a profit of over £60 million.

Rishi Sunak said the Bank of England administered scheme, which was launched in March 2020 at the start of the pandemic, was another example of the government offering support at unprecedented speed to protect millions of jobs and taxpayer's money simultaneously.

Chancellor Rishi Sunak said:

We not only took unprecedented action but did so at unprecedented speed to protect jobs and businesses throughout the pandemic.

The CCFF scheme ensured that many of the UK's biggest employers could continue to pay wages and suppliers, protecting millions of jobs – and on top of that every penny has been repaid.

The final CCFF repayments were made today, with all companies paying back what they owed. The scheme has made a profit of over £60 million for the taxpayer because the rate of interest applied to the cash provided by the Bank of England was priced at rates comparable to the market before Covid. Companies therefore paid back a slightly larger amount at maturity compared to the finance they borrowed initially.

Peter Vermeulen, Chief Financial Officer at the National Trust, said:

The HM Treasury team did an amazing job during the height of the pandemic. The National Trust, like many other large organisations,

experienced an unprecedented liquidity squeeze, accompanied by enormous levels of uncertainty around the future.

The CCFF was set up swiftly and in a highly transparent manner. The team at HM Treasury issued clear guidance and worked tirelessly to support us with the application and the associated legalities.

We cannot commend the team highly enough for the excellent work they have done. It was an essential lifeline for the National Trust and has safeguarded some of the essential work we do on cultural and natural heritage, for the Nation. Thank you.

Mark Burrows, Chief Operating Officer at The Football Association, said:

The pandemic was a serious challenge for The FA. We were faced with huge losses from cancelled events and competition disruptions affecting our broadcasting rights.

As a not-for-profit organisation that reinvests its surplus into grassroots football, being able to rely on the security of CCFF as a quick and cost-effective way to raise working capital meant we were able not only to continue to support our business, but grassroots football across the country.

Through the purchasing of short-term corporate debt – known as commercial paper – the CCFF provided a quick and cost-effective way to raise working capital for companies who were fundamentally strong but were at risk of experiencing severe disruption to cashflows. Because it lent directly to large companies, the scheme also provided banks with the space to lend to a wider population of firms who could have otherwise gone bust during the pandemic.

The scheme helped companies across a range of sectors including the car industry, travel, hospitality, and high street stores. It kept cash flowing and delivered on the government's commitment to do everything it could to support the economy and protect jobs.

Further information

- UKGI, as the government's centre of excellence in corporate finance and corporate governance, established the Covid Intervention Resolution Group (CIRG) to support the Chancellor in his lending decisions as part of the access review process introduced in October 2020, and to monitor the loan portfolio until maturity.
- The CCFF was part of an unprecedented package of support for business throughout the pandemic including VAT cuts, business rates holidays and government backed loans worth around £400 billion.

Further stakeholder reaction

Stewart Wingate, Chief Executive Officer, Gatwick Airport, said:

The CCFF loan provided valuable support to the airport during the COVID-19 pandemic and helped ensure that we were able to stay open and maintain our role as a critical piece of national infrastructure. This allowed us to maintain flights for essential travel and cargo, including medical equipment and other vital supplies during the pandemic.

Richard Hutton, Finance Director at Greggs, said:

In the spring of 2020, quick access to the CCFF was crucial for Greggs as we sought to protect our employees and others who depend on us through the early stage of the pandemic. It gave us essential breathing space whilst alternative commercial facilities were arranged.

The speed of response from the HMT and Bank of England teams was essential in providing stability at a critical time.

Neil Martin, Chief Executive Officer Europe, Lendlease, said:

This facility helped support our business in emerging from the pandemic in a strong position to be able to meet the needs of our customers, clients and the communities in the UK, we were very grateful for the support.

The London School of Economics said:

COVID has been a financial challenge for LSE as it has for all UK universities. Throughout, our priorities have been to protect the education and experience we offer our students, as well as our staff and research capability. Coupled with other credit facilities and reserves, the Bank of England's CCFF has been a very helpful component in delivering those priorities.

Martin Watts, Director of Treasury at L&Q said:

The funds helped us to protect jobs, maintain vital services to residents, and continue with our development programme. With the support of the Bank of England, we delivered over 5,500 new homes in the period from 1 April 2020 to 31 December 2021, of which 3,200 were affordable.

Utilising the scheme meant that our balance sheet was well capitalised, enabling us to provide additional reassurance to key stakeholders in line with our prudent approach to risk management.