



Department for  
Business, Energy  
& Industrial Strategy

Rt Hon Kwasi Kwarteng MP  
Secretary of State

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Meg Hillier MP  
Chair of the Public Accounts Committee  
House of Commons  
London  
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20 July 2022

Dear Meg,

**British Business Bank (BBB): Recovery Loan Scheme extension**

I intend to make a written statement in the House today setting out the details of a new contingent liability arising from an extension to the Recovery Loans Scheme, which will go live on 1 August and run initially until 30 June 2024. I attach a copy of the statement along with the accompanying Departmental Minute for completeness.

The scheme will be delivered by the British Business Bank through its accredited delivery partners. Lenders will provide loans of up to £2 million to support businesses that would otherwise be unable to access the finance they need, or would only be able to do so at a higher rate of interest. The percentage of net (post-recovery) losses for each loan that is guaranteed by the Government will be 70 per cent. There will be a £6 billion cap on the aggregate value of loans provided through the scheme for the first two years.

It is usual practice to allow fourteen parliamentary sitting days before incurring a new contingent liability, in which members may signify an objection by giving notice of a Parliamentary Question or by otherwise raising the matter in parliament, with final approval to proceed with incurring the liability withheld pending an examination of the objection.

Because of the urgency in helping SMEs access the finance they need for investment and working capital at this time, it will not be possible to give Parliament the usual fourteen Parliamentary sitting days before incurring the new contingent liability. If, following the laying of the Minute, a member signifies an objection by writing to me, I undertake to examine the objection and respond to the member concerned.

**RT HON KWASI KWARTENG MP**  
Secretary of State for Business, Energy and Industrial Strategy