

# Coronavirus Loan Schemes Supporting the UK

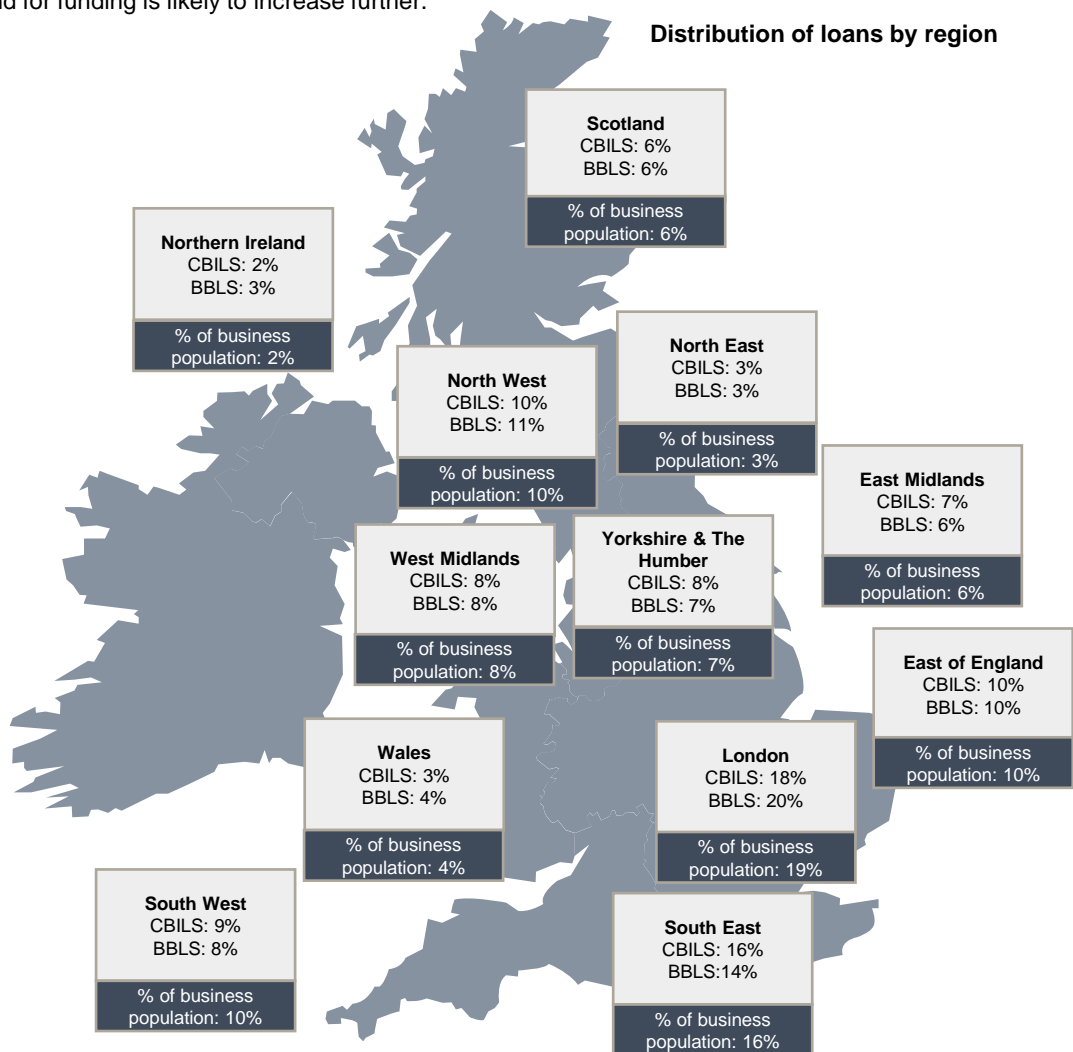
New data published by the British Business Bank reveals that the Coronavirus Business Interruption Loan Scheme (CBILS) and the Bounce Back Loan Scheme (BBLs) facilities continue to be accessed across the UK in proportion to each region's respective share of the UK business population.

As at 20 September 2020, £15.5bn of CBILS facilities and £38bn of BBLs facilities had been approved by accredited lenders. Both schemes provide financial support to UK businesses that have experienced disruptions to cashflow, as a direct result of the COVID-19 pandemic. However, only 47% of CBILS applications and 81% of BBLs applications have been approved to date.

The East of England has the highest utilisation of CBILS funding outside of London and the South East, while the North West has recorded the highest use of BBLs loans outside of London and the South East. Despite recording lower levels of government loan support than English regions, deployment of CBILS lending in devolved nations is broadly in line with the proportion of the local business population of each nation. Scotland, Wales and Northern Ireland have received 6%, 3% and 2% of UK CBILS funding respectively.

Other regions demonstrating high utilisation of the BBLs include the East of England (10%) West Midlands (8%) and the South West (8%).

The application deadline for CBILS, BBLs and the Coronavirus Large Business Interruption Loan Scheme (CLBILS) is 30 November 2020. Demand for funding is extremely high, and businesses are encouraged to act sooner rather than later in assessing funding requirements in order to avoid being at the 'back of the queue'. With localised lockdowns beginning to feature, demand for funding is likely to increase further.



**Jason Evans, Partner**  
jason.evans@gambitcf.com  
07725 446 741

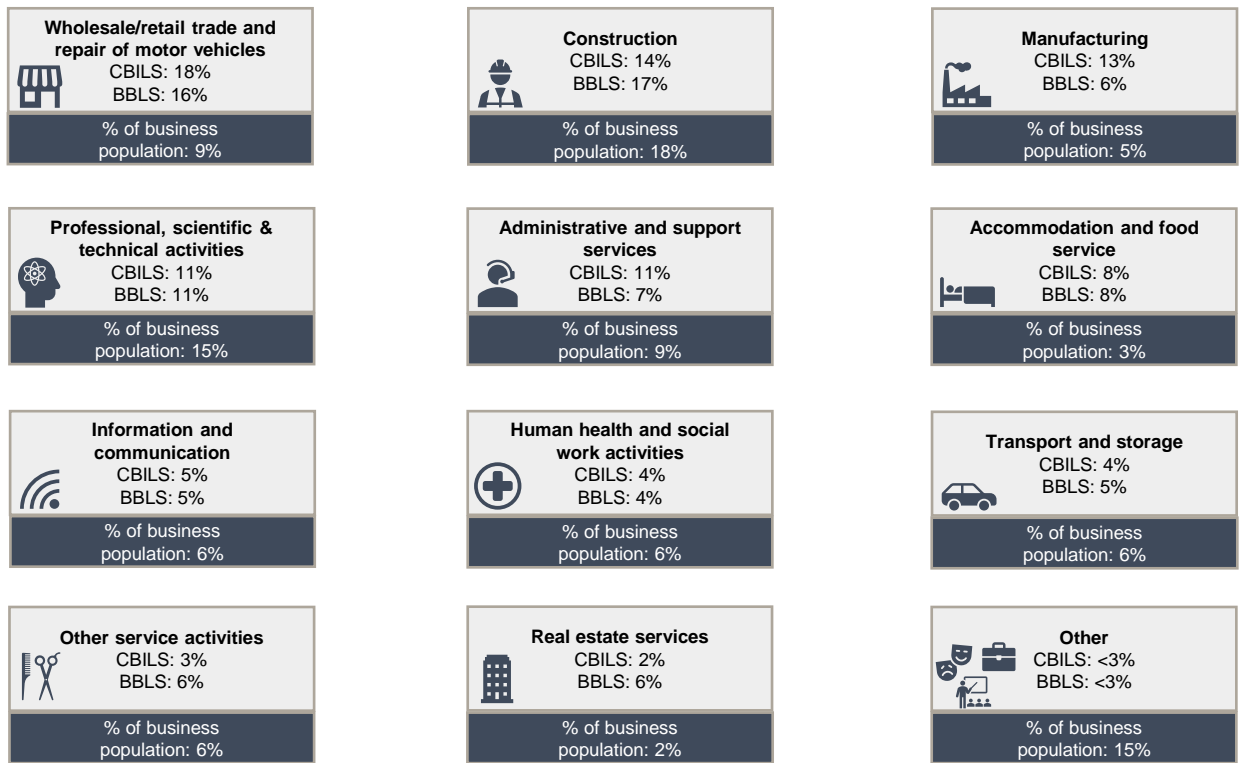
**Geraint Rowe, Partner**  
geraint.rowe@gambitcf.com  
07899 928 029

**Frank Holmes, Partner**  
jfrank.holmes@gambitcf.com  
07768 255 194

**Jamie Kennell, Partner**  
jamie.kennell@gambitcf.com  
07920 521 968

# Coronavirus Loan Schemes Supporting the UK

## Distribution of loans by sector



The majority of CBILS and BBLS funding has been required and accessed by companies unable to adopt online or work-from-home business models in scale in response to COVID-19. As a result, these companies have experienced significant disruptions to trading performance and cash generation, with many facing difficulties in restarting operations post-lockdown whilst adhering to social distancing and government/industry guidance.

The wholesale and retail sector has accessed a significantly higher proportion of CBILS loans (18%) than its share of the business population (9%). This is also true for manufacturing (13% v 5%) and accommodation and food services sectors (8% v 3%).

The wholesale and retail sector also accessed a relatively high proportion of Bounce Back Loans compared to its share of the business population (16% v 9%), as did accommodation and food services businesses (8% v 3%) and real estate services (6% v 2%).

'Other' companies in receipt of coronavirus loan support include arts & entertainment, education, finance, insurance, utilities and agricultural businesses. These sectors have individually received less than or equal to 3% of total CBILS/BBLS support.

**Jason Evans, Partner**  
jason.evans@gambitcf.com  
07725 446 741

**Geraint Rowe, Partner**  
geraint.rowe@gambitcf.com  
07899 928 029

**Frank Holmes, Partner**  
jfrank.holmes@gambitcf.com  
07768 255 194

**Jamie Kennell, Partner**  
jamie.kennell@gambitcf.com  
07920 521 968

# Current Best Practice in Applying for Funding

We have outlined below the current best practice in mitigating the implications of COVID-19 and the key factors to consider when completing applications for government-backed funding.



- Act sooner rather than later in assessing funding requirements in order to avoid missing the 30 November 2020 application deadline and being at the 'back of the queue'.



- Prepare and update COVID-19 action plans, which set out the commercial, operational and financial risks to the business and the mitigating actions taken. Plans should be monitored and updated regularly.



- One shot at an application for funding. Demand for funding remains high. In order to process applications, credit functions will be under significant time pressure and will need to make decisions based on the initial information provided, rather than the typical iterative process. Therefore, applications with robust supporting information including detailed COVID-19 action plans and financial projections which reflect contingency planning will be quicker to process and more likely to succeed. Applications with missing information may be declined completely.



- Businesses will need to demonstrate a clear and viable need for funding. Assessing short and medium-term working capital needs and co-ordinating and stress-testing various scenarios to identify funding gaps and a range of outcomes is recommended. It is also important to consider the working capital requirements for the business once the COVID-19 restrictions are lifted and the business begins to operate normally again. The funding requirement then needs to be assessed against the pre-COVID-19 debt capacity of the business – this is key.

## How Gambit can help

Gambit has been assisting many businesses with their COVID-19 action plans and CBILS & CLBILS funder discussions, stress testing their forecasts and providing guidance on funding availability and how to approach funders for support.

**The firm is proud to have maintained a 100% success rate of applications (against a wider market success rate of 50%).**

Our dedicated Debt Advisory team is in regular direct contact with the British Business Bank, key industry bodies, mainstream funders and alternative finance providers to understand the latest guidance and financial support available, and more importantly how to access it.

If you would like to set up a call to discuss the most appropriate funding options available, please contact a member of the team.

**Jason Evans, Partner**  
jason.evans@gambitcf.com  
07725 446 741

**Geraint Rowe, Partner**  
geraint.rowe@gambitcf.com  
07899 928 029

**Frank Holmes, Partner**  
jfrank.holmes@gambitcf.com  
07768 255 194

**Jamie Kennell, Partner**  
jamie.kennell@gambitcf.com  
07920 521 968

[www.gambitcf.com](http://www.gambitcf.com)

[www.thecfigroup.com](http://www.thecfigroup.com)

23 Berkeley Square,  
London,  
W1J 6HE

3 Assembly Square,  
Britannia Quay, Cardiff  
CF10 4PL

  
**gambit**  
CORPORATE FINANCE