

2<sup>nd</sup> April 2020

Mr Keith Morgan CBE  
Chief Executive  
British Business Bank  
Steel City House  
West Street  
Sheffield S1 2GQ

Dear Keith,

This is a testing time for businesses across the UK, especially in high cashflow sectors like recruitment. The Government's Coronavirus Business Interruption Loan Scheme was set up as an important finance tool to help firms bridge the gap in activity caused by Covid-19. Like you, we want it to work, especially as emergency finance is essential to ensuring wages are paid until payments from the Government's Job Retention Scheme are made.

The REC is one of the country's largest business organisations, representing 3,300 businesses and 10,000 individual recruiters, working in a sector with high levels of day-to-day cash flow and relatively thin margins. This means any cash flow disturbance can have a swift effect on the sector, affecting its ability to support the UK's return to work when this is over. Agencies pay the contractors and temporary staff they place, even if they have not themselves received payment from the end-use employer.

Initial feedback from industry leaders within REC membership has flagged specific issues, including:

- Inconsistent interpretation of the eligibility criteria for the scheme, including inappropriate requests for collateral;
- Difficulties in getting through to people to speak to about the scheme, and inconsistent approaches to applications;
- Concerns with regards to overall speed of process at a time of pressing cash-flow challenges;
- Discussions on the loan scheme being used by banks as an opportunity to sell their other financial products.

We are keen to collate issues raised and to work constructively with you to ensure that they can be addressed. Establishing a designated communication route between our respective

organisations would be a positive step forward and would also enable you to use us to relay information back to our sector.

On a broader level, we have seen widespread collaboration across the business community since the start of the crisis. We are confident that this sense of solidarity and common cause will continue and we look forward to working with you to ensure the best possible support to recruiters and other businesses at this difficult time.

I am available to discuss this issue with you or your team. My assistant Ellie Goddard ([ellie.goddard.rec@uk.com](mailto:ellie.goddard.rec@uk.com)) would be happy to set up a suitable time for a discussion.



**Neil Carberry**  
Chief Executive