Department for Business, Energy & Industrial Strategy

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Elliot Green
[redacted]

Our ref : FOI2022/11963

June 2022

Dear Elliot Green,

Thank you for your email of 19th May where you requested the following information:

The Public Accounts Committee on Department for Business, Energy & Industrial Strategy said on 18 May 2022:

"Given the Department had anticipated a heightened risk with these schemes, we are disappointed that it does not appear to have used all the tools at its disposal to minimise fraud and error."

Pursuant to Sections 1 and 10 of the Freedom of Information Act I request the provision of the following information in respect of the "heightened risk" referred to aforesaid:

1. Confirmation if BEIS had anticipated heightened risk with Bounce Back Loan Schemes ("BBLS").
2. Copies of the risk assessment undertaken of fraud with the BBLS was contemplated.
3. Copies of the minutes of meetings that recorded the heightened risk.
4. Details of what was done to mitigate the risk and copies of documents that record that position.

Under the Freedom of Information Act 2000 ('the Act'), you have the right to:
- know whether we hold the information you require
- be provided with that information (subject to any exemptions under the Act which may apply).

- Confirmation if BEIS had anticipated heightened risk with Bounce Back Loan Schemes ("BBLS").

We can confirm BEIS holds this information. This information is publicly available. The documents can be accessed at https://www.gov.uk/government/publications/coronavirus-covid-19-ministerial-direction-for-the-coronavirus-bounce-back-loan-scheme.

- Copies of the risk assessment undertaken of fraud with the BBLS was contemplated.

The British Business Bank Reservation Notice letter raises concerns regarding the propriety, value for money, and feasibility of the Bounce Back Loan Scheme. The reservation notice is available to view at https://www.british-business-bank.co.uk/reservation-notice-for-the-bounce-back-loan-scheme/.

The Reservation makes note of the risk assessment undertaken by PricewaterhouseCoopers that was sent to the British Business Bank on 29 April 2020. A redacted version of this report has been made available in the public realm and we attach a copy for your records.

We can confirm that BEIS holds further information falling within scope of your request. However, this information is being withheld under Section 35 (1)(a) formulation of government policy. Section 35(1)(a) exempts information from being released if it relates to the formulation or development of government policy. The information you have requested relates to the formulation and development of policy regarding Government Covid-19 Loan Schemes.

The use of section 35(1)(a) is subject to a public interest test. We understand there is a public interest in information about the development of policy in relation to the Government Covid-19 debt schemes, particularly with respect to action undertaken action against fraudulent applicants and applications. Whilst the schemes closed to new applications on March 31 2021, the Government continues to develop policy about how the Government and external agencies investigate and tackle fraudulent activity within the various debt schemes. the risks associated with the scheme that were discussed at the outset continue to help formulate our policy proposals to investigate and pursue fraud within the Bounce Back Loan Scheme.

We note that disclosure could provide better insight into the policy and the reasoning behind it. Decisions that Ministers make may have a significant impact on the lives of citizens and there is a public interest in deliberations on this topic being transparent.

However, against this there is a strong public interest in ensuring that Ministers and officials are able to discuss policy options fully and frankly and for the space in which such discussions take place to be protected. The contents would also make public the Government's approach to detecting and investigating crime within the Covid-19 debt Schemes, and therefore inadvertently increase criminal activity within the schemes. Further, due to our continual ongoing discussions with Other Government Departments, if this information were made public, we believe the nature of such frank discussion and debates on key public policy issues would be inhibited, and the Department would be prevented from taking decisions based on the fullest understanding of the issues involved.

We are therefore of the view the public interest in maintaining the exemption to withhold the information outweighs the public interest in disclosing the information.

- Copies of the minutes of meetings that recorded the heightened risk.

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- Details of what was done to mitigate the risk and copies of documents that record that position.

The Department regularly reports to the National Audit Office (NAO) who externally and impartially assesses the Department's implementation of the Government's Covid-19 Loan Schemes – including the Bounce Back Loan Scheme. The NAO Reports provide details of our mitigations and are independently recorded.

Details on what steps the Department took to mitigate risks and the recording our positions can be found at: https://www.nao.org.uk/report/bounce-back-loan-scheme/ and https://www.nao.org.uk/report/the-bounce-back-loan-scheme-an-update/.

If you are dissatisfied with the handling of your request, you have the right to ask for an internal review. Internal review requests should be submitted within two months of the date of receipt of the response to your original request and should be addressed to the Information Rights & Records Unit. It would be helpful if you can tell us why you are dissatisfied with the response to your request so we may address this during the internal review.

Information Rights & Records Unit
Department for Business, Energy and Industrial Strategy
1 Victoria Street
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Please remember to quote the reference number above in any future communications.

If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. Complaints can be made to the Information Commissioner via their website at: https://ico.org.uk/make-a-complaint/official-information-concerns-report/official-information-concern/.

Yours sincerely,

Business Finance Team