



**BANK OF ENGLAND**

**Press Office**

Threadneedle Street

London EC2R 8AH

T 020 3461 4411

press@bankofengland.co.uk

www.bankofengland.co.uk

# News release

---

9 April 2020

## **HM Treasury and Bank of England announce temporary extension to Ways and Means facility**

HM Treasury and the Bank of England (the Bank) have agreed to extend temporarily the use of the government's long-established Ways and Means (W&M) facility. As a temporary measure, this will provide a short-term source of additional liquidity to the government if needed to smooth its cashflows and support the orderly functioning of markets, through the period of disruption from Covid-19.

The government will continue to use the markets as its primary source of financing, and its response to Covid-19 will be fully funded by additional borrowing through normal debt management operations. Any use of the W&M facility will be temporary and short-term. As well as temporarily smoothing government cash flows, the W&M facility supports market function by minimising the immediate impact of raising additional funding in gilt and sterling money markets.

The W&M facility is the government's pre-existing overdraft at the Bank. Any drawings will be repaid as soon as possible before the end of the year. HM Treasury, the Debt Management Office and the Bank will continue to cooperate closely to support the orderly functioning of the gilt and sterling money markets.

ENDS

### **Notes to Editors**

1. The Ways and Means (W&M) facility functions as the government's overdraft account with the Bank of England (the Bank), i.e. the facility which enables sterling cash advances from the Bank to the government.
2. Historically, the W&M account played a daily role in the government's cash management, executed by the Bank. When the Debt Management Office (DMO) took on responsibility for the government's cash management in 2000, the need for daily use of W&M fell away. However, the facility remains available and has been used on a number of occasions since 2000.
3. The previous high for use of the W&M account was £19.9bn in 2008.

4. Ordinarily a standing balance of around £0.4bn is maintained to support Exchequer cash management.
5. As of 8 April 2020, drawings under the W&M facility remain at £0.4bn. The outstanding balance will, as normal, be published weekly on the Bank's website.
6. W&M data is published no later than 10:00am each Monday. You can find the data via the following link:

<https://www.bankofengland.co.uk/boeapps/database/FromShowColumns.asp?Travel=&searchText=B72a>