



Quarterly Update
22 February 2017

[NEW MARKETS REPORT](#) [CEO UPDATE](#) [NPIF LAUNCHED](#) [PROGRAMMES](#) [EVENTS](#)

Welcome to the first of the British Business Bank's new quarterly updates. This email brings you news and updates on our programmes, publications and events, as well as a note from our CEO, Keith Morgan. We hope you enjoy reading it.



2016/17 Small Business Finance Markets report online now



Yesterday we published our [third comprehensive report on small business finance markets in the UK](#), at an event in Whitehall hosted by Christina McComb our Interim Chair (pictured above).

The report is a vital piece of work, not only for our understanding of developments in the finance markets that support small businesses, but also for shaping how we develop our programmes to address any market gaps identified.

The data shows an overall improvement in credit conditions last year for smaller businesses, with particularly strong growth in alternative finance markets. It identifies, however, a lower level of business confidence among small businesses and a mood of cautiousness around seeking finance. The report also describes regional imbalances in finance provision.

[Read the full report](#)

[Read the press notice](#)

From the CEO, Keith Morgan



The British Business Bank's mission is to change finance markets so that they work more effectively, enabling smaller businesses to grow and thrive.

Understanding these finance markets – from both demand and supply perspectives – is essential in order for us to do our job. Yesterday, we published our latest annual Small Business Finance Markets report, which brings new evidence to the debate on SME finance markets, through our own survey and research data, as well as analysis of existing evidence from government, market and academia.

The report highlights three broad areas of continuing focus for the British Business Bank, all of which support smaller businesses' ambitions and raise the growth potential of the economy:

- **Supporting scale-ups:** the UK's performance in scaling up firms has lagged behind its international peers. Many scale up businesses are not fully aware of the funding available to them.
- **Closing regional imbalances:** the evidence continues to show that the flow of equity finance, which can be especially important for growth businesses, is not evenly spread across UK regions.
- **Raising awareness:** one third of businesses still turn only to their own bank for finance (i.e. traditional loans), despite the increasing range of finance providers that may offer more suitable products.

This morning I had the privilege, alongside Andrew Percy, Minister for the Northern Powerhouse, and Roger Marsh, Chair of the NPIF Strategic Oversight Board, of officially opening the £400m [Northern Powerhouse Investment Fund](#) (NPIF) for business. Over the next month, money will start to flow to companies across the Northern Powerhouse region. I'd like to thank everybody from all ten participating LEPs for their constructive and collaborative work in helping us all achieve this major milestone. NPIF is the first of our planned regional funds. Later this year we will launch a similar fund to boost the Midlands' economy and support the region's 460,000 smaller businesses – the [£250m Midlands Engine Investment Fund](#).

Alongside our regional focus, our commitment to helping scale-ups was bolstered by the government's recent Autumn Statement commitment to provide us with [£400m of new funding](#) to support venture capital. This [money is now available](#) to venture capital funds through our commercial arm's [VC Catalyst programme](#), and we expect it to unlock up to £1 billion of new investment in innovative firms planning rapid growth.

Over the coming months, we look forward to contributing to two key government initiatives that have the potential to make a real difference to businesses and the economy:

- [The HM Treasury-led patient capital review](#), which will identify barriers to access to long-term finance for growing firms.
- [The Green Paper on Industrial Strategy](#), which sets out to address long-term challenges to the UK economy and will incorporate input from Margot James's new Scale-Up Task Force.

Finally, I'd like to thank our partners, stakeholders and our team for their support and we look forward to continuing to work with them to increase even further our impact on smaller businesses.

Keith Morgan

Northern Powerhouse Investment Fund launched today



This morning we launched the new [Northern Powerhouse Investment Fund \(NPIF\)](#) at an event in Manchester attended by Northern Powerhouse Minister Andrew Percy.

The new £400m fund aims to boost the North of England's economy by helping the region's businesses realise their growth potential.

Based in Sheffield, the Northern Powerhouse Investment Fund will work with ten Local Enterprise Partnerships (LEPs), combined authorities and Growth Hubs, as well as local accountants, fund managers and banks, to provide a mixture of debt and equity capital to northern-based SMEs at all stages of their development. NPIF will provide funding to fund managers who will offer microfinance (£25,000 - £100,000), business loans (£100,000 - £750,000) and equity finance (up to £2m).

Our [Spotlight: The Northern Powerhouse Investment Fund report](#), which we published last year, highlights the significant opportunities for ambitious, high-growth businesses in the North of England.

[Find out more about NPIF](#)

[Read the press notice](#)

Programme updates

Our programmes, delivered through over 90 private sector delivery partners, support almost £3.4bn of finance to 54,000 smaller businesses at all stages of development, and participate in a further £5.1bn of finance to mid-cap businesses. Click on the links in the table below to find updates on individual programmes, designed to help businesses start up, scale up and stay ahead.

START UP	SCALE UP	STAY AHEAD
<p>Start Up Loans</p> <p>Loans and mentoring to help people start their own businesses or become self-employed</p>	<p>Angel CoFund</p> <p>Equity co-investment alongside business angel syndicates</p> <p>Enterprise Capital Funds</p> <p>Increasing equity finance to UK growth companies and lowering the barriers for fund managers coming into the VC market</p> <p>Venture Capital Catalyst</p> <p>Supporting businesses by investing in the UK's VC and growth capital infrastructure</p> <p>Help to Grow</p> <p>Growth loans for smaller businesses</p>	<p>Investment Programme</p> <p>Partnering with finance providers to increase the choice of finance for smaller and mid-sized businesses</p> <p>ENABLE</p> <p>Capital market solutions for funders</p> <p>Enterprise Finance Guarantee</p> <p>Government-backed loans for viable smaller businesses lacking security</p>

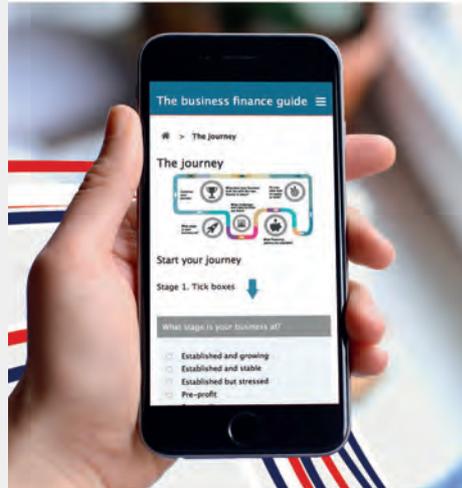


The Business Finance Guide

Each month thousands of people are accessing the online version of what is being widely recognised as the essential guide for businesses looking to raise finance.

The [Business Finance Guide](#) sets out the different sources of finance available to businesses – from start-ups to SMEs and growing mid-sized companies.

We produce the guide in partnership with the ICAEW and a further 21 business and finance organisations, in order to raise awareness of the finance options available to smaller businesses. Better informed businesses are likely to make better choices about their finance, and are therefore more likely to invest and grow.



[Access the Business Finance Guide](#)

Calendar of events

- 8 March [Budget 2017](#)
- 9 March [Midlands Engine Trade Summit](#), Birmingham
- 22 March [Venturefest East Midlands](#), Derby
- 28 March [UKBAA Northern Investment Summit](#), Manchester
- 21 April [Westminster Social Policy Forum: The Future of the Northern Powerhouse](#), Manchester
- Spring '17 British Business Bank's Spotlight: Midlands Engine Investment Fund published
- Spring '17 British Business Bank's [Midlands Engine Investment Fund \(MEIF\)](#) launched
- May '17 British Business Bank's Equity Tracker report published ([view last year's Tracker](#))

You can find more detail on our [events pages](#).

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