

# Impact Report 2024



[british-business-bank.co.uk](https://british-business-bank.co.uk)



## Foreword

**At the British Business Bank, we have a shared passion to help our customers – the UK’s smaller businesses – to prosper and grow.**

Over our ten years of operation, we have always had strong evidence of the finance, expertise and commitment we bring to the running our programmes to help achieve this goal, but assessing how they feed into the longer-term impact of our interventions can provide a much more valuable measure of our true success.

This inaugural Impact Report sets out the impact of the British Business Bank’s activity on smaller businesses across the UK’s Nations and regions. It looks at how the Bank’s activity in 2023 directly supports the country’s economy, what outputs and outcomes are generated, and what impact we can expect from our activities over the longer term, in line with our strategic objectives: driving sustainable growth, backing innovation, unlocking potential and building the modern, green economy.

Alongside our annual report and accounts, the findings in this report provide a direct connection between the work we do and the economic benefits we bring to real-world UK smaller businesses and the wider economy.

I hope you find this report interesting and of value.

**This report includes an estimate of our 2023 impact performance, representing our first full year of impact reporting. The analysis includes all Bank activity where impact information is available, this excludes Investment Programme Fintech and Structured Capital and the ENABLE Build programme. Economic impact is modelled over the full life of the loan or equity investment. All figures refer to calendar year 2023.**



**Louis Taylor**  
Chief Executive Officer





# Introducing the British Business Bank

The Bank deployed

**£3.5bn**

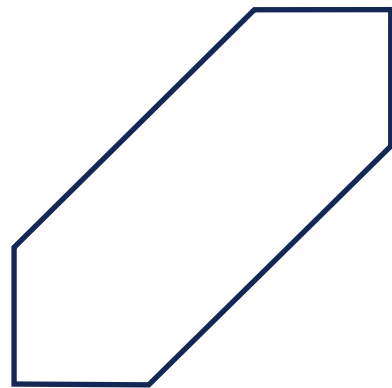
of public funding into UK  
smaller businesses in 2023



## Introducing the British Business Bank

The British Business Bank, established in 2014, is the UK Government's economic development bank. The Bank has the mission to drive sustainable growth and prosperity across the UK, and to enable the transition to a net zero economy, by improving access to finance for smaller businesses.

The availability of capital to smaller businesses drives economic growth because it enables business investment, innovation, and expansion, leading to increased productivity, job creation, and overall economic development.



We design, deliver and manage access to finance programmes for smaller businesses across the UK that address gaps in the market. As well as increasing the supply and diversity of finance, we raise awareness of the finance options available to smaller businesses but they don't obtain finance directly from us, instead we work through more than 200 delivery partners:

- To help get new smaller businesses off the ground, providing start-up finance and mentoring to help them succeed
- To help smaller businesses thrive, unlocking lending from banks and alternative finance providers, to help them grow, create new jobs and improve productivity
- To help the UK's most innovative companies get the capital they need to be able to scale up and stay in the UK, making investments through angels, venture and venture growth capital funds and companies across R&D intensive industries such as deeptech and life sciences. The Bank is the largest domestic investor in UK venture and venture growth funds.



The British Business Bank's role is catalytic to UK private markets over time and encourages growth companies to stay in the UK as they scale, since companies with material UK ownership are more likely to stay in the UK.

The Bank deployed £3.5bn of public funding into UK smaller businesses in 2023.



# Delivering customer outcomes

“

Having the loan has allowed me to take on a much bigger job than I would have been able to do otherwise. The opportunity came my way and I was able to say yes because I had everything in place

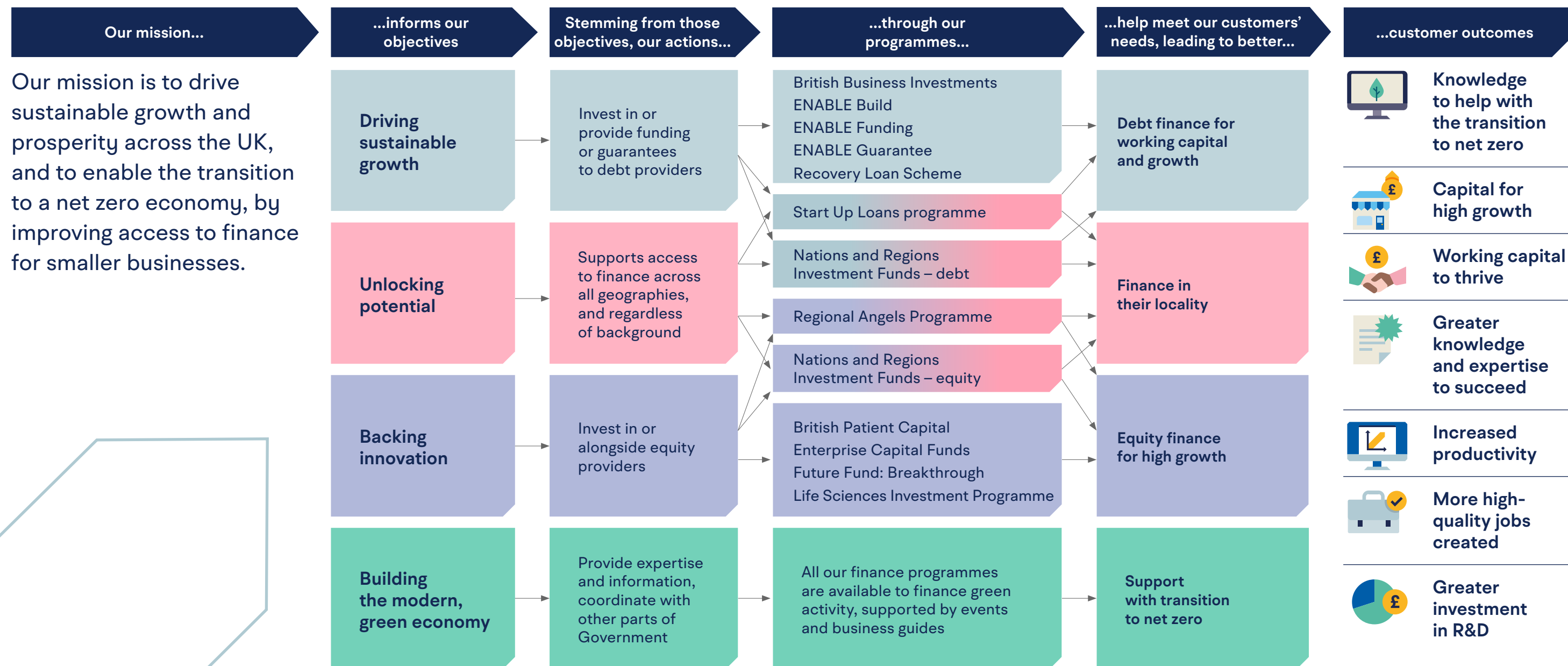
”

Construction Manager, Tom Weston,  
Energy Build Southwest  
Start Up Loan



# Delivering customer outcomes

## Putting the customer at the heart of everything we do





# What we do



“

**We applied for a Recovery Loan Scheme for £50,000 – it greatly assisted with the cashflow of the business, it stimulated that growth**

”

**Paul Kapila, Managing Director  
Twynham House Nursery School  
Recovery Loan Scheme**





## What we do

The Bank identifies clear market gaps in the provision of small business finance and brings expertise and capital to the market to remedy them. That capital is funded by the taxpayer. It is imperative that we understand the impact our activity is having and that we use that insight to deploy our resources where they can make the biggest impact in future.

In spring 2023, the Bank reformed the way it delivers on its mission with four new strategic objectives:

- **To drive sustainable growth** by ensuring smaller businesses can access the right type of finance they need to start, survive and grow
- **To back innovation** by ensuring innovative businesses can access the right capital to start and scale
- **To unlock potential** by ensuring entrepreneurs can access the finance they need regardless of where and who they are
- **To build the modern, green economy** by financing groundbreaking solutions to climate change and helping smaller businesses transition to net zero so they thrive in a green future

## And how we do it – our values

- **Committed** we are passionate about fulfilling our mission to make finance markets work better for smaller businesses, whilst delivering commercial and socially responsible outcomes
- **Collaborative** we support, respect and encourage each other as colleagues and work in true partnership with our stakeholders
- **Creative** we question the status quo, challenge ourselves, and strive to find new ways to deliver in an ever-changing world

“

**Thanks to the Start Up Loan,  
I was able to make my dream a reality,  
and progress my business more than I  
ever could have done on my own**

”

Katie Ogley, Founder and Director  
of Moko Physiotherapy  
**Start Up Loan**





A woman wearing a yellow hard hat and an orange safety vest with reflective green stripes is working in a factory. She is holding a tablet computer in her left hand and looking up at a large industrial robotic arm. The background shows various factory equipment and structures.

# Our Impact

**The Bank's 2023 activities  
are expected to create**

**£8.4bn**

**of additional economic activity  
(GVA) over the life of the finance**

# Our Impact

British Business Bank activities\*  
in 2023 and their expected  
economic impact<sup>1</sup>

## Inputs

We deployed  
**£3.5bn**  
of public funding into  
smaller businesses

with an additional  
**£2.5bn**  
of private sector capital  
leveraged alongside our  
own funding

## Outputs

Funded  
**23,100**  
smaller businesses

**84%**  
of businesses supported were outside  
London with £2.9bn of finance

**18%**  
supporting deals which accounted  
for 18% of all 2023 UK smaller  
business equity investment

**40%**  
of our Start Up Loans have gone  
to female founders

**21%**  
Start Up Loans have gone to founders  
from Black, Asian or other Ethnic  
Minority backgrounds

## Outcomes

**35%\*\***  
of finance drawdown being used  
to reduce environmental impact  
in some way or support business  
models focused on  
environmental objectives

**60%**  
of additional jobs created by our  
funding are linked to our support  
for innovation, although this  
accounts for only 25% of our  
total funding

**4.5%**  
Our 5-year combined  
commercial and mandated  
adjusted rate of return

## Expected long-term impacts over the life of the finance

Creation of  
**39,400**  
additional jobs

**£19.8bn**  
of additional business turnover

**£8.4bn**  
Equivalent to an extra £8.4bn  
of Gross Value Added (GVA)



## Our Impact

### Driving sustainable growth



£3.5bn

of taxpayer funding



Unlocks

£2.5bn

of private sector funding



Expected to create

39,400

additional jobs



Resulting in

£8.4bn

additional economic activity  
(GVA) over the life of the finance

This inaugural impact report estimates the impact of the Bank's activity on the UK's smaller businesses. It looks at how the Bank's activity in 2023 has directly supported the UK economy and what impact the Bank has had in line with each of its four strategic objectives.

The analysis by objective follows the approach taken in the Bank's 2024/25 Business Plan: All Bank activity contributes to sustainable growth and different overlapping combinations of activity contribute to backing innovation, unlocking potential and building the modern, green economy.

### Driving sustainable growth

In 2023, to drive sustainable growth, the Bank took £3.5 billion of taxpayer funding and unlocked an extra £2.5bn of lending and investment from the private sector. Overall last year the Bank's programmes channelled £6.0bn of support to smaller businesses.

The Bank backed over 23,000 UK smaller businesses in 2023. It is expected that these businesses will create nearly 39,400 additional jobs over the life of the finance. The Bank has also sustained 251,400 existing jobs.

The Bank's support is expected to increase UK turnover by an additional £19.8bn over the life of the loan or equity investment, which is equivalent to £8.4bn of additional Gross Value Added (GVA) created.<sup>2</sup>

### Backing innovation

To back innovation, the Bank took £882m of taxpayer funding and unlocked an extra £2.5bn of lending and investment from the private sector. Overall last year the Bank's programmes channelled £3.4bn of support to the UK's most innovative businesses.

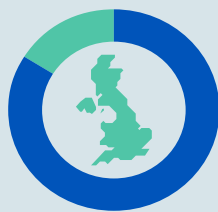
The Bank is the largest domestic investor in the UK market, it supported 15% of UK equity deals and these deals account for 18% of total equity investment.

This **funding for innovation unlocks a disproportionate amount of private sector support and hence has a disproportionately large economic impact:** From 25% of the overall funding, 60% of the additional jobs created overall are linked to our support for innovation (23,800), and 65% of the expected additional turnover generated (£12.9bn). In terms of additional GVA generated, backing innovation contributes 72% of the Bank's total (£6.0bn). This is due to the funding supporting 1,400 high growth companies.



## For every £1 of Bank funding drawn down in 2023,

it is expected to generate £2.40 of additional economic activity (GVA) over the life of the finance and deliver a return on investment for the taxpayer



# 84%

of the businesses funded by the Bank in 2023 have been outside London

## Unlocking potential

This objective has had **the most public funding behind it from across the Bank**. The Bank put £2.9bn of public funds into unlocking potential and secured an extra £1.5bn of lending and investment from the private sector alongside it. This meant that overall, there was £4.4bn support for the unlocking potential objective. This is expected to generate 23,300 additional jobs and £12.7bn additional turnover, which is equivalent to £5.0bn of GVA over the life of the finance.

84% of the businesses supported by the Bank in 2023 have been outside of London (19,400 businesses), and 59% of the overall additional jobs created are expected to be outside London. Similarly, 64% of the expected additional turnover gains stem from activity under this objective.

## Building the modern, green economy

The Bank is currently developing proposals to support smaller businesses' transition to net zero, but **existing Bank programmes are already helping to support the move to a modern green economy**.

Around 35% of the Bank's finance drawdown, equivalent to 37% of the total number of businesses supported (8,500 businesses), is currently in part used by businesses to reduce their environmental impact in some way or support business models focused on environmental objectives.<sup>3</sup>

## Summary

In summary this report demonstrates that the Bank is a powerful asset for the Government. We make a tangible difference to smaller businesses that need support to start-up and grow. We help smaller businesses generate more economic activity and create new jobs – while covering our costs and forecasting a return to the taxpayer.

We are now looking at ways in which we can increase our impact even further, so we can best support the new Government's efforts to unlock economic growth in the years ahead.





## Methodology

An estimate of the Bank's total impact was built from the bottom up (programme-by-programme), by looking at the Bank's funding activity and expected economic impact for a single year cohort of UK businesses funded in 2023.

Economic impacts are modelled over time using an economic appraisal model, which has been independently verified by a third party to ensure it is fit for purpose.

Economic impacts are estimated using evidence from the Bank's programme evaluations, monitoring information and also from analysis of company performance using Companies House data. It provides an estimate of the expected impacts on business employment and turnover over the life of the loan or equity investment, which can range between four and 10 years depending on the specific programme.

Additionality factors include finance additionality at the business level, fund level additionality if relevant, outcome additionality, and also product market displacement.

All figures are presented in nominal terms.

## Endnotes

1. The analysis includes all Bank activity for UK businesses where impact information is available. These numbers exclude Investment Programme Fintech and Structured Capital and the ENABLE Build programme. Economic impact is measured over the full life of the loan or equity investment.
2. GVA is the difference between the value of goods and services produced and the cost of raw materials and other inputs, which are used in production.
3. In many cases this may be a small part of the overall funding.

**British Business Bank plc**

Steel City House  
West Street  
Sheffield S1 2GQ

t. 0114 206 2131

e. [info@british-business-bank.co.uk](mailto:info@british-business-bank.co.uk)

**[british-business-bank.co.uk](https://www.british-business-bank.co.uk)**

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