

£200m South West growth fund to launch next year

A £200m investment fund to support the growth of small-and-medium-sized businesses across the South West is on course to be launched in the first half of next year.

The South West Investment Fund from the British Business Bank is aimed at plugging a funding gap in the region and driving sustainable economic growth. It will offer a range of commercial finance options, with loans from £25,000 to £2m and equity investment up to £5m.

The new fund will cover the entire South West region including Bristol, Cornwall and the Isles of Scilly, Devon, Dorset, Gloucestershire, Somerset and Wiltshire.

Ken Cooper, managing director of venture solutions, at the British Business Bank, said: “The design of the South West Investment Fund builds on the success of our other regional funds. It will increase the supply and diversity of early-stage finance for smaller businesses in the region, providing finance for firms that might otherwise not receive investment and helping to break down barriers in access to finance.

“The levels of private debt lending and equity investment in the South West are significantly below what we would expect given the region’s share of the UK’s smaller business population. That’s something the new fund will tackle by backing ambitious businesses to drive sustainable economic growth.”

According to the British Business Bank, the launch of the South West fund follows the success of regional investment funds being delivered by the institution through the Cornwall and the Isles of Scilly (CIoSIF), Midlands Engine (MEIF) and Northern Powerhouse (NPIF) Investment Funds.

Since the existing funds launched, the bank said it had invested more than £562m into funds across those regions. The investments crowded in more than £849m in additional private sector co-investment and have supported more than 1,715 smaller businesses, the bank added.

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