

British Business Bank needs new mandate, Lord O'Neill to say in Labour review

The British Business Bank's operational independence should be reviewed as part of efforts to stimulate investment in high-growth British businesses, a review commissioned by Labour's shadow chancellor will say this week.

Sky News understands that the review, which has been led by Lord O'Neill, the former Goldman Sachs chief economist and one-time Treasury minister, will recommend that Labour explores the state-owned lender's mandate, as well as its ability to leverage external funding.

The conclusion, one of dozens said to have been reached by Lord O'Neill and fellow panel members, forms part of Labour's efforts to position itself as a pro-enterprise government-in-waiting.

Commissioned by Rachel Reeves, the shadow chancellor, in June, the review will be published to coincide with a business conference convened by the party.

Prominent business leaders including John Allan, the Tesco chairman, and Amanda Blanc, the Aviva chief executive, are scheduled to attend the event in London.

One source familiar with the review said: "Labour's Start-Up Review this week will include proposals to reform the British Business Bank.

"There is likely to be a strong regional element to these reforms, including a focus on encouraging clusters around groups of universities across different parts of the UK and using them to drive growth and investment across the country."

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The review of the BBB's operational independence from government is likely to provoke renewed debate about the institution's performance since it was established in 2014.

Lord O'Neill declined to comment on the report's findings but said in June: "The more all political parties support the ecosystem of start-ups for the UK, the more they become entwined in the DNA of policy thinking for the future."

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Announcing the commissioning of the review, Ms Reeves said: “Britain has immense resources in the creativity and drive of our entrepreneurs, and the innovative capacity of our universities.

“But something I have heard repeatedly from businesspeople is a real worry about the small number of start-ups listing in the UK and the stubborn obstacles preventing many of them from scaling up.”