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# British Business Bank's Debt Funds programme makes positive impact on UK debt market and finance ecosystem, finds independent assessment

**Press release** • 30 September 2025

- Debt Funds programme improves access to debt finance for smaller businesses across the UK
- Half of funds would not have secured other capital in the absence of the programme
- Evidence of substantial impact on employment, creating c. 1,400 additional jobs
- Early indications suggest strong returns for the British Business Bank

The British Business Bank's Debt Funds programme has made a positive impact on the UK debt market and finance ecosystem, finds an independent evaluation published today. The evaluation, undertaken by SQW in collaboration with Beauhurst and covering data until March 2023, has shown that the Debt Funds programme plays a role in a substantial share of the smaller business finance market and that it has been successful at crowding in wider private sector investment into funds.

The evaluation has shown that the Debt Funds programme is improving access to debt finance for smaller businesses across the UK and that it has raised awareness of non-bank finance amongst intermediaries. A survey of investee firms carried out as part of the research shows that Debt Funds-backed investments have accelerated company growth, both in terms of turnover and employment.

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The programme has delivered well against its objectives and has made an important contribution to addressing long-standing challenges in the smaller business finance market by increasing the supply and diversity of private debt finance, providing smaller businesses with greater choice.

Adam Kelly, Managing Director and Co-Head of Funds, British Business Bank, said:

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It is very encouraging to see that the British Business Bank's Debt Funds programme has made a positive impact on the UK debt market and finance ecosystem, improving access to finance, boosting UK smaller businesses and creating c. 1,400 additional jobs at the time of evaluation.

The evaluation also shows the continued need for the programme in a challenging fund-raising market for smaller funds. The British Business Bank will continue to play a key role in this market, further developing the supply and diversity of private debt finance.

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## **Significant finance additionality at the fund level**

The programme has been successful at crowding in wider private sector investment into funds. The evaluation noted that finance additionality is strong at the fund level and that, in the absence of the programme, around half of funds would not have secured other capital, whilst the remainder would have been substantially smaller in scale.

Additionality is still evident even when the Bank has invested in follow-on funds, highlighting the ongoing challenges in fundraising and the need for further support in the sector. The evaluation also suggests that, without the programme, the scale of the private debt market in the UK would be considerably smaller.

## **Boosting businesses and employment**

Debt Funds-backed finance has had a strong and statistically significant impact on turnover and enabled firms to scale up quickly. In absolute terms, this growth in turnover equated to a net impact of c. £750k per company per annum for smaller businesses, and c.£7.5m per company per annum for recipients of Venture Debt and Prefequity. Debt Funds-backed finance has helped beneficiaries to create roughly 1,400 net additional jobs in total as the average beneficiary created between three and five new jobs.

## Indications of strong returns

While it is too early to fully assess financial performance of the Debt Funds programme, early indications suggest the programme is generating strong returns overall, with an IRR from inception to March 2023 of 7.4%. Over this period, the programme has accrued interest of £114m and generated £189m in profit, with a very low write off rate.

## Further Information

If you are a journalist and have a media enquiry, please contact [mediaenquiries@british-business-bank.co.uk](mailto:mediaenquiries@british-business-bank.co.uk).

## Notes to editors

### About the British Business Bank

The British Business Bank is the UK government's economic development bank. Established in November 2014, its mission is 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. Its remit is to design, deliver and efficiently manage UK-wide smaller business access to finance programmes for the UK government.

The British Business Bank's core programmes support £23bn <sup>1</sup> of finance to almost 64,000 <sup>2</sup> smaller businesses.

As well as increasing the supply and diversity of finance for UK smaller businesses through its programmes, the Bank works to raise awareness of finance options available to smaller businesses. The British Business Bank's [Business Guidance Library](#) provides independent and impartial information to

businesses about finance options, featuring short films, expert guides, checklists and articles from finance providers to help make their application a success.

The British Business Bank is also responsible for administering the government's three Coronavirus loan schemes and its Future Fund, together responsible for delivering £80.4bn in finance to 1.67m businesses. These schemes are now closed to new applications.

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<sup>1</sup> Figures as at end March 2025

<sup>2</sup> Figures as at end March 2025, does not include Start Up Loans

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