

UK Government-backed business funding schemes

At February 2026

1. Start Up Loans (British Business Bank)

A government-backed personal loan for business purposes, aimed at new businesses and those trading under 3 years.

- **Loan amount:** up to £25,000
- **Interest:** fixed 6%
- **Extras:** free mentoring and support
- **Eligibility:** UK-based, viable business plan, credit checks
- **Source:** Business.gov.uk lists Start Up Loans as a key government-backed option for new businesses

2. Growth Guarantee Scheme (GGS)

Successor to the Recovery Loan Scheme. Supports SMEs that want to invest and grow by giving lenders a government guarantee.

- **Loan types:** term loans, overdrafts, invoice finance, asset finance
- **Eligibility:** UK-based SMEs, viable business, not in financial difficulty
- **Purpose:** growth, investment, working capital
- **Source:** Business.gov.uk confirms GGS as a government-backed loan scheme for small UK businesses

3. Government Grants (various departments)

Grants are non-repayable funds for specific purposes such as innovation, energy efficiency, digital adoption, R&D, exporting, or regional development.

- **Eligibility:** varies by scheme (sector, location, activity)
- **Examples:** Innovate UK grants, local authority grants, energy efficiency grants
- **Where to find them:**
 - **Find a Grant** service (central government grants)
 - Local Growth Hubs
 - Innovate UK
- **Note:** Highly competitive, often with strict reporting requirements.

4. British Business Bank Programmes

Beyond Start Up Loans and GGS, the BBB also supports:

a. Regional Investment Funds

Funds such as the Northern Powerhouse Investment Fund, Midlands Engine Investment Fund, and Cornwall & Isles of Scilly Investment Fund provide debt and equity finance to SMEs.

b. Future Fund (historic)

Previously supported innovative companies during COVID-19; now closed but relevant for context.

5. Innovate UK Funding

Supports innovation, R&D, technology development, and commercialisation.

- **Types:** grants, loans, innovation competitions
- **Eligibility:** innovation-driven businesses
- **Often co-funded** with industry partners or research bodies.

6. Local Authority & Devolved Government Schemes

These vary by region and may include:

- Business growth grants
- Digital transformation grants
- Green/low-carbon grants
- Export support
- Town-fund or regeneration-linked business support

You can find many of these through the **Find a Grant** service or local Growth Hubs.

7. Community Ownership Fund / Social Investment Schemes

For social enterprises, community groups, and mission-driven organisations.

- Grants and blended finance
- Often tied to community assets, social impact, or regeneration
- Listed on Find a Grant and social investment portals.