

The Government announced today in the Enterprise Strategy a strong package of measures to ensure that entrepreneurs continue to have access to the finance they need to start-up and grow their business. The UK has one of the most highly developed and sophisticated finance markets in the world, and despite recent financial market disruption, business banking and SME lending remains strong. The package of measures announced today builds on that strength and includes:

- Strengthening the Small Firms Loan Guarantee:
 - 20% uplift in lender's SFLG allocations for one year, providing an additional £60million of lending available to businesses that lack collateral or sufficient track record;
 - Extend the eligibility of SFLG to businesses with growth ambitions that are more than five years old, including, but not limited to, those who have changed ownership;
- Additional £12.5m for capital fund focussed primarily on investing in women-led businesses;
- Additional £30m available through Enterprise Capital Funds, to stimulate delivery of mezzanine finance. Capital for Enterprise Limited will work with both fund managers and the banks to stimulate delivery;
- Change in public sector procurement contract model clauses to enable businesses that use factoring and invoice discounting;
- Development of a national framework for the delivery of investment readiness support, including targeted support for under-represented groups such as women.

The major SFLG lenders (named below) welcomed the proposals as an opportunity to promote the appropriate use of SFLG as well as continuing to develop innovative financial solutions to meet the needs of growing companies.

Together, Government and the major lenders are committed to helping small businesses and entrepreneurs to realise their ambitions to enable businesses who might otherwise not be able to access debt finance to fund their start-up and growth ambitions.



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