

Nations and Regions Tracker

Small Business Finance Markets 2023

Devolved nations briefing notes

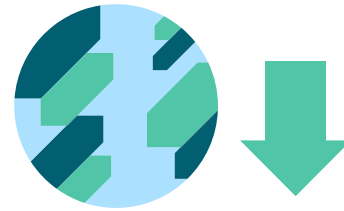


Nations and Regions Tracker 2023 Briefing note: Northern Ireland



External finance use among Northern Irish smaller businesses fell in 2022, but early data for 2023 shows signs of recovery at the UK level

Thirty-eight per cent of smaller businesses in Northern Ireland were using external finance in 2022, down from 45% in 2021. Bank loans saw the largest fall in usage over this period, from 20% to 12%, followed by grants and leasing/hire purchase/vehicle finance. However, more recent data (only available at the UK level at the time of writing) suggests external finance use is picking up again throughout the UK in the first half of 2023. Core debt products remained the most common finance types, with 13% of Northern Ireland-based smaller businesses reporting they used credit cards and 12% bank loans and/or overdrafts in 2022.



Northern Ireland saw a significant fall in equity deal numbers in 2022, but the overall outlook for 2023 is more encouraging

Equity deals fell more sharply in Northern Ireland (-17%) between 2021 and 2022 than in the UK as a whole (-7%), whereas investment value bucked the UK-wide downtrend (-11%), growing by 39% over the same period, due to the effect of a few large size deals completed in 2022. More promising signs emerged in early 2023, with the data showing Northern Ireland deal numbers were still declining in Q1 and Q2, but overall the rate of decline in equity activity is beginning to ease across the UK.

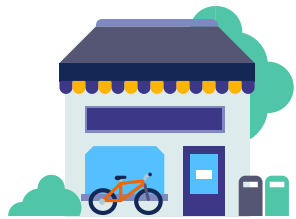


Northern Ireland is home to one innovation-led cluster, in which academic spinouts are key players

The Greatest Belfast cluster relies significantly on academic spinouts' contribution to the local equity investment ecosystem. Academic spinouts make up 37% of all Technology/IP-related deals completed in this cluster between 2011 and Q2 2023, and 35% of the related investment value.

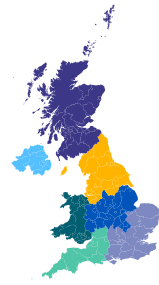
Belfast-based spinouts are predominantly specialised in the life sciences, but also capture sizeable shares of the UK equity market in other technology areas, such as metamaterials and digital security. Our analysis further shows that spinouts based in this cluster complete smaller deals on average (£1.3m) than the

Golden Triangle of Cambridge, London and Oxford (£9.1m), also taking longer to secure their first announced deal. Spinout deal activity in the Greater Belfast cluster also relies more on government investors compared to most other UK clusters.



Innovation can help coastal towns in Northern Ireland reinvigorate their economies

Smaller businesses based in Northern Ireland's coastal towns face significant challenges that impact their attitudes to external finance; at the same time, they are capitalising on some of the opportunities hidden behind these challenges, with many companies securing equity investment to develop innovative products and services. One example is Modern Democracy, a Derry-based company providing services for election delivery, audit, and technology support since 2017. The company received investment through the British Business Bank's Regional Angels Programme.



Addressing disparities in finance access to drive sustainable growth in Northern Ireland remains critical to the Bank's mission, boosted by the launch of our new Northern Ireland-focused investment fund

The British Business Bank's new Investment Fund for Northern Ireland will provide £70m to support the growth of small and medium-sized local businesses, offering a range of commercial finance options with loans from £25,000 to £2m and equity investment of up to £5m. By increasing the supply and diversity of early-stage finance for smaller businesses in Northern Ireland, it aims to tackle an identified funding gap.

Innovation-led cluster case study: Greater Belfast

Life Sciences spinouts make a large contribution to Belfast's Technology/IP-based equity activity, with the vast majority generated by Queen's University Belfast

Academic spinouts' representation in the cluster's Technology/IP-related equity deals between 2011 and Q2 2023 is very significant. At 37% of deals and 35% of investment value over this period, it is nearly double the respective average shares at UK level (18% and 23%).

The largest Technology/IP-related spinout sub-sectors based on deal numbers is the life sciences sub-sector (41%), but the concentration of deals related to the software subsector (37%) in this cluster is nearly as significant.

The Greater Belfast cluster benefits from the presence of two large universities: Queen's University Belfast, which generated 45 of the 48 local Technology/IP-related spinout deals between 2011 and Q2 2023, and the University of Ulster, responsible for the remaining three deals.



In this cluster, consisting of the Belfast Local Government District, a relatively large proportion (22%) of Technology/IP-related equity deals between 2011 and Q2 2023 were completed by businesses based within the 10% most income-deprived areas in Northern Ireland. Belfast punches well above its weight in

terms of Technology/IP-related equity deals per high-growth business; at 2.7, this is only exceeded by Dundee, Edinburgh, and the Golden Triangle clusters (ranking 6th overall).

Coastal town case study: Derry-Londonderry

Derry-Londonderry is situated on Northern Ireland's north west coast and is its largest city (with 85,300 residents) outside Belfast.

Its economy was originally built on the shirt making industry, which thrived in the early 20th century with more than 40 factories employing thousands of workers. However, the city's dependence on this industry also left it vulnerable to the decline of Northern Ireland's textile production in the 1950s and the 60s.

Derry-Londonderry continues to struggle with a productivity gap (based on GVA per job filled) compared to the rest of the UK, which is larger than Belfast's. The wider Derry and Strabane council area where it is located has lower employment, median earnings and GVA and disposable income per head than the Northern Ireland average. Another area of historic neglect has been poor transport connections, especially with Belfast. These factors negatively affected the availability of high-skilled, well-paid jobs in Derry-Londonderry, as well as the city's overall economic performance.

In more recent times, Derry-Londonderry had some success in preserving local jobs that were at risk, for example by securing inward investment in a new gas-fired power station to replace the old oil-powered one



(Coolkeeragh). The city also had some success in securing inward investment into ICT (particularly hardware) and service support jobs such as call centres. However, these local industries have faced uncertainties due to the changing economic context and company restructuring.

Derry-Londonderry has considerable local activity in the lending market and, to a smaller extent, also in the equity market. There were 5 Technology/IP-related deals in the city between 2011 and the first half of 2023, of which only two had a known investment value totalling £1.3 million. The value of lending to local SMEs was still significant in 2022 (£171.4 million), albeit 20% lower than in 2019, and much larger than the UK average

when measured as a proportion of local economic activity (£79k per million pound of GVA, compared to £58k at the UK level).

Nations and Regions Tracker 2023 Fact Sheet: Northern Ireland

Measure	Period	Value	Change on previous year	Share of UK total/ Quotient of UK measure in reference year (see Sources and notes)
Driving sustainable growth - Economic Context				
Smaller business population (0-249 employees)	Start 2022	127,995	4%	2%
Business births	2022 -2023 FY	4,980	-22%	2%
Business deaths	2022 -2023 FY	7,330	10%	2%
Firms per 10,000 resident adults	Start 2022	855	4%	1,014
High-growth enterprises	2021	195	-32%	2%
Gross Value Added, £m	2021	45,724	7%	2%
Gross Value Added per hour worked, £	2021	33	3%	38
Gross Value Added per head of population, £	2021	24,007	6%	30,443
Number of companies benefiting from British Business Bank interventions	2022-23 FY	141	26%	2%
Number of Recovery Loans offered	Q2 2022 -Q2 2023	124	-63%	2%
Value of Recovery Loans offered, £m	Q2 2022 -Q2 2023	32	-49%	2%
Driving sustainable growth - Finance Demand				
Proportion of SMEs willing to use finance to grow	2022	46%	3 pp	31%
Proportion of SMEs that view finance as a major obstacle	2022	11%	1 pp	6%
Proportion of SMEs that anticipate needing finance in the next 12 months	2022	36%	-21 pp	43%
Proportion of SMEs aware of the British Business Bank	2022	12%	-7 pp	20%

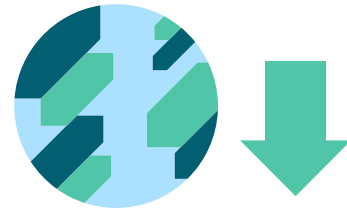
Measure	Period	Value	Change on previous year	Share of UK total/ Quotient of UK measure in reference year (see Sources and notes)
Driving sustainable growth – Finance Supply				
SME loans and overdrafts approved/ increased (*)	Q2 2022-Q1 2023	4,472	-10%	-
SME loans and overdrafts approved/ increased, £m (*)	Q2 2022-Q1 2023	1,353	6%	-
Equity deals	2022	34	-17%	1%
Equity deals, £m	2022	94	39%	1%
Backing Innovation				
Proportion of firms that are innovation-active	2018-2020	38%	6 pp	45%
Equity deals involving spinouts	2022	9	29%	4%
Equity deals involving spinouts, £m	2022	25	184%	1%
UKRI-funded projects starting in 2022, based on the lead research organisation's location	2022	94	-16%	1%
Unlocking Potential				
Proportion of regional SME employment in the top 5 industries by CO2e per £m GVA	Start of 2022	38%	1 pp	26%
Proportion of SMEs that have taken or plan to take energy efficiency measures	2022	75%	na	71%
Number of Start Up Loans offered	2022-23 FY	149	1%	2%
Value of Start Up Loans offered, £m	2022-23 FY	2	1%	2%

Nations and Regions Tracker 2023 Briefing note: Scotland



External finance use among Scottish smaller businesses fell in 2022, but the UK-level data for early 2023 shows signs of recovery

Thirty-eight per cent of smaller businesses in Scotland were using external finance in 2022, down from 40% in 2021. Grants saw the largest fall in usage over this period, from 16% to 11%, while use of credit cards grew from 10% to 12% over the same period. The latter was the second most commonly used finance type after bank loans, used by 13% of Scotland-based smaller businesses. Even though the trend in finance use was negative in 2022, more recent data (only available at the UK level at the time of writing) suggests external finance use is picking up again throughout the UK in the first half of 2023.



Despite a large fall in equity deal numbers in 2022, Scotland remains one of the highest-performing UK equity hubs outside of London and the Greater South-East

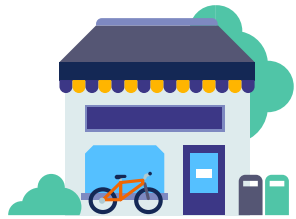
Scotland experienced the biggest decline in equity deals among all UK regions and nations (-22%) from 2021 to 2022. Despite this, it remains in the top 3 UK nations and regions based on equity deal numbers (190) in 2022. More promising signs emerged in early 2023, with the data showing the rate of decline in equity activity in Scotland is beginning to ease.



Scotland is home to four innovation-led clusters, in which academic spinouts are key players

Four main innovation-led clusters can be identified in Scotland, comprising of Aberdeen, Dundee, Edinburgh-Fife-Mid & West Lothian and Greater Glasgow. The latter is the largest Scottish cluster, and the second largest of all clusters located outside the Golden Triangle. Spinouts are key players in all Scottish clusters, accounting for the largest share of Technology/IP-related deals in the Greater Glasgow cluster (47%) and the largest share of investment (78%) in the Aberdeen cluster between 2011 and Q2 2023. Scottish cluster-based spinouts are concentrated in life sciences and medical technology, but also capture significant shares

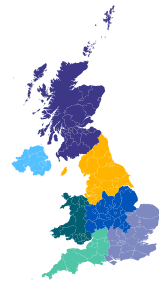
of the UK equity market in other technology areas, including biomass and biofuels, robotics, 3D printing and preventive care. Our analysis further shows that spinouts based in the Scottish clusters complete smaller deals on average (£2.2m) than the Golden Triangle of Cambridge, London and Oxford (£9.1m), also taking longer to secure their first announced deal. Additionally, spinout deal activity in the Scottish clusters relies more on government investors compared to most other UK clusters.



Coastal towns in Scotland have the potential to become a key hub for innovation in net zero sectors

Smaller businesses located in Scotland's coastal towns face significant challenges that impact their attitudes to external finance; at the same time, they are capitalising on some of the opportunities hidden behind these

challenges, with many companies securing equity investment to develop decarbonisation solutions. One example for Scotland is Verlume Holdings Ltd, an Aberdeen-based company which develops energy management and reduction technology across the subsea, offshore, and onshore sectors since 2013, and received British Business Bank investment through the Regional Angels Programme.



Addressing disparities in finance access to drive sustainable growth in Scotland remains critical to the Bank's mission, boosted by the launch of our new Scotland-focused investment fund

The British Business Bank's new Investment Fund for Scotland will provide £150m to support the growth of small and medium-sized local businesses, offering a range of commercial finance options with loans from

£25,000 to £2m and equity investment of up to £5m. It will have a demonstrable presence across Scotland, linking up with the existing small business finance ecosystem to increase reach and create an impact by helping to boost productivity, innovation and jobs.

Innovation-led cluster case study: Aberdeen

Aberdeen's cluster is concentrated in life sciences spinouts from the University of Aberdeen, which are a vital part of the equity landscape in the city.

Academic spinouts generated 46% of Technology/IP-related deals and 78% of investment value in the Aberdeen cluster between 2011 and the first half of 2023. Life sciences are the dominant spinout sector locally, with 81% , followed at a large distance by medical technology (17%) and other technology/IP-based businesses (2%).

21 of the 24 Technology/IP-related spinout deals that took place in this cluster between 2011 and Q2 2023 originated from the University of Aberdeen, including three that were above £10m. The other spinouts were generated by Robert Gordon University and by a collaboration between the Aberdeen-based Rowett Research Institute and the University of Glasgow.



The cluster is set in an urban and relatively affluent coastal economy with a high concentration of Technology/IP-related equity deals relative to its number of high-growth enterprises (2). It ranks 10th in the UK on this measure.

Coastal town case Study:

Ayr

Ayr is the second largest town in Ayrshire, located on the southwest coast of Scotland on the mouth of the river Ayr. The corresponding settlement has an estimated population of 62,000.

Ayr developed as the central retail hub in the south-west of Scotland since the late 19th century. The opening of national retailer stores such as Marks and Spencer's and Ayr's first shopping centre, the Kyle Centre, encouraged an expansion of the local economy in the 70s and 80s. The area is also known as a seaside resort, with popular holiday parks like Craig Tara and Haven as well as close proximity to golf courses and the Glasgow Prestwick Airport.

Like many other tourism-dependent economies, Ayr was deeply affected by the pandemic. However, even before 2020, the local economy had suffered prolonged stagnation. By that time, Ayr's GVA per head of population was already much lower (£16k) than the UK average (£28k), and overall GVA growth in the town had stalled. This can be attributed in part to a higher concentration of low productivity sectors (such as hospitality, food, and accommodation as well as wholesale, retail and residential care). Wider data from the South Ayrshire council area flags additional



challenges, including low business and labour market dynamism. South Ayrshire's business birth rate in 2021 has remained virtually unchanged from 2004 and the proportion of residents in employment (65%) is much lower than the Scotland and UK averages (75%). Moreover, inadequate transport links and connectivity are key drivers for working age-residents to move elsewhere in search of better education and employment opportunities, potentially exacerbating the expected decline in Ayr's resident population (projected at -2% between 2018 and 2028).

Despite these difficulties, there are efforts to revitalise the economy by focussing on high-value sectors. For instance, plans are underway to establish an NHS

Ayrshire & Arran National Treatment Centre in 2025, specialising in orthopaedics.

Ayr has seen only two equity deals between 2011 and Q2 2023, with one worth £500k and another deal of undisclosed value. However, it has a more considerable volume of lending to SMEs. This was worth £55.5 million on average across the four quarters of 2022, marking a 4% increase from 2019. On a per million pound of GVA basis, this means Ayr's value of lending to SMEs (£56k) aligned with the UK average (£58k) in 2022.

Nations and Regions Tracker 2023 Fact Sheet: Scotland

Measure	Period	Value	Change on previous year	Share of UK total/ Quotient of UK measure in reference year (see Sources and notes)
Driving sustainable growth - Economic Context				
Smaller business population (0-249 employees)	Start 2022	340,340	0%	6%
Business births	2022 -2023 FY	16,985	-12%	6%
Business deaths	2022 -2023 FY	20,520	-9%	6%
Firms per 10,000 resident adults	Start 2022	749	0%	1,014
High-growth enterprises	2021	600	-19%	6%
Gross Value Added, £m	2021	149,938	7%	7%
Gross Value Added per hour worked, £	2021	37	1%	38
Gross Value Added per head of population, £	2021	27,361	7%	30,443
Number of companies benefiting from British Business Bank interventions	2022-23 FY	656	41%	8%
Number of Recovery Loans offered	Q2 2022 -Q2 2023	387	-66%	5%
Value of Recovery Loans offered, £m	Q2 2022 -Q2 2023	65	-71%	4%
Driving sustainable growth - Finance Demand				
Proportion of SMEs willing to use finance to grow	2022	31%	-6 pp	31%
Proportion of SMEs that view finance as a major obstacle	2022	3%	-3 pp	6%
Proportion of SMEs that anticipate needing finance in the next 12 months	2022	44%	-12 pp	43%
Proportion of SMEs aware of the British Business Bank	2022	20%	-3 pp	20%

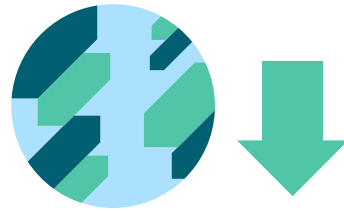
Measure	Period	Value	Change on previous year	Share of UK total/ Quotient of UK measure in reference year (see Sources and notes)
Driving sustainable growth – Finance Supply				
SME loans and overdrafts approved/ increased (*)	Q3 2022-Q2 2023	3,303	-23%	9%
SME loans and overdrafts approved/ increased, £m (*)	Q3 2022-Q2 2023	1,093	-24%	10%
Equity deals	2022	190	-22%	7%
Equity deals, £m	2022	762	37%	5%
Backing Innovation				
Proportion of firms that are innovation-active	2018-2020	39%	7 pp	45%
Equity deals involving spinouts	2022	41	-13%	18%
Equity deals involving spinouts, £m	2022	213	45%	11%
UKRI-funded projects starting in 2022, based on the lead research organisation's location	2022	1,074	-9%	8%
Unlocking Potential				
Proportion of regional SME employment in the top 5 industries by CO2e per £m GVA	Start of 2022	30%	0 pp	26%
Proportion of SMEs that have taken or plan to take energy efficiency measures	2022	73%	na	71%
Number of Start Up Loans offered	2022-23 FY	665	-7%	7%
Value of Start Up Loans offered, £m	2022-23 FY	9	4%	7%

Nations and Regions Tracker 2023 Briefing note: Wales



External finance use among Welsh smaller businesses fell in 2022, but early data for 2023 shows signs of recovery at the UK level

Thirty-seven per cent of smaller businesses in Wales were using external finance in 2022, down from 50% in 2021. This means that Wales, which ranked first on the share of smaller businesses using external finance in 2021, saw the biggest drop on this measure (-13 percentage points) in 2022. Grants saw the largest fall in usage over this period, from 16% to 9%, while use of loans from directors, friends or family grew from 2% to 5%. However, more recent data (only available at the UK level at the time of writing) suggests external finance use is picking up again throughout the UK in the first half of 2023. Core debt products remained the most frequently used by SMEs based in Wales, with bank loans being the dominant external finance type (accessed by 15%).



Wales was among the few UK nations and regions where equity deals grew in 2022

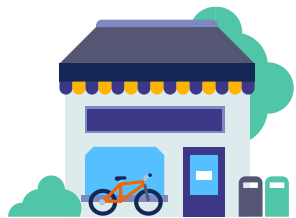
Smaller businesses in Wales saw a 19% increase in equity deal numbers compared to 2021, bucking the UK-wide downtrend (-10%). However, Welsh SMEs also experienced a 10% reduction in investment value compared to 2021, broadly aligning with the decline seen at the UK level (-11%). More promising signs emerged in early 2023, with the data showing the rate of decline in equity activity is beginning to ease.



Wales is home to two innovation-led clusters, in which academic spinouts are key players

Swansea and Cardiff & Newport are the two innovation-led clusters identified by our analysis in Wales. In the former, academic spinouts make a very significant contribution to local Technology/IP-related equity activity, accounting for 45% of deals and 43% of the related investment value between 2011 and Q2 2023. In the latter, spinouts represent a lower, but still considerable, share of equity activity over the same

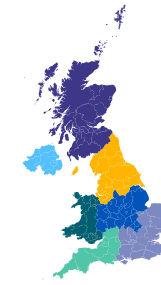
period (18% and 22%, broadly in line with the corresponding UK averages). Welsh spinouts are predominantly specialised in medical technology, but also capture sizeable shares of the UK equity market in other technology areas, such as Internet of Things and digital security. Our analysis further shows that spinouts based in these clusters complete smaller deals on average (£1.4m) than the Golden Triangle of Cambridge, London and Oxford (£9.1m), also taking longer to secure their first announced deal. Spinout deal activity in the Welsh clusters also has much greater reliance on government investors than any other UK cluster group.



Coastal towns in Wales have the potential to become a key hub for innovation in net zero sectors

Smaller businesses based in Wales's coastal towns face significant challenges that impact their attitudes to external finance; at the same time, they are capitalising

on some of the opportunities hidden behind these challenges, with many companies securing equity investment to develop climate mitigation and adaptation solutions. One example is Vortex IOT, established in Neath (around 6 miles north of Port Talbot) in 2017. The company designs wireless environmental sensor networks, which are used in harsh environments to collect data for remote monitoring and risk assessment of important metrics within the heavy industry and infrastructure sectors, such as pollution and air quality. Vortex IOT completed a successful exit in 2023 and was supported by the British Business Bank's Regional Angels Programme.



Addressing disparities in finance access to drive sustainable growth in Scotland remains critical to the Bank's mission, boosted by the launch of our new Wales-focused investment fund

The British Business Bank's new Investment Fund for Wales will provide £130m to support the growth of small and medium-sized local businesses, offering a range of commercial finance options with loans from £25,000 to £2m and equity investment of up to £5m. By increasing the supply and diversity of early-stage finance for smaller businesses in Wales it aims to tackle an identified funding gap.

Innovation-led case study: Swansea

Medical technology spinouts are key players in Swansea's equity ecosystem and largely attributable to Swansea University

Medical technology is Swansea's largest Technology/IP-related spinout deal sub-sector (63%), but the cluster also has above-average representation of spinout deals relating to materials technology (13%) and clean technology (11%). Conversely, the usually dominant life sciences sub-sector represents only 5% of Technology/IP-related spinout deals in Swansea.

Despite the relatively low local representation of research institutions, the Swansea cluster depends on academic spinouts for 45% of Technology/IP-related deals and 43% of investment value between 2011 and Q2 2023. All but one of these deals involved Swansea University.



The cluster covers the mostly urban county council areas of Swansea and Neath Port Talbot, and has a sizeable share of Technology/IP-related deal activity (19% between 2011 and Q2 2023) involving businesses

based within the 10% most income deprived areas in Wales. Similarly to Aberdeen, Swansea has a high number of Technology/IP-related equity deals per high growth enterprise (2.1, the 9th highest in the UK).

Coastal town case study: Rhyl & Prestatyn

Rhyl is the principal conurbation in Denbighshire with a population of around 26,500. Situated just north of Rhyl is the smaller Denbighshire town of Prestatyn, counting around 16,800 residents.

Rhyl experienced steady growth in the 19th Century, particularly after the opening of the Stephenson's railway from Chester to Holyhead in 1848. Much of its sea front activities are still focussed on the tourist trade, but the town has diversified its economy with increasing contributions from commerce and industry. Tourism has a strategic significance in Prestatyn's economy too, bringing revenue and jobs to the area through retail trade, accommodation and food spend. Its long-standing tourism assets include the beaches, golf courses, walking and cycling opportunities, and accommodation and holiday parks at Presthaven Sands and Pontins.

Economic activity and employment rates in the wider Denbighshire County are comparable to the Wales average, but lower than the UK average; however, the district's productivity levels are 25% lower than the UK's in terms of GVA per job filled. Additionally, Rhyl has pockets of significant economic inactivity and deprivation, with multiple neighbourhoods ranking among the 10% most deprived in Wales. These areas generally have elevated



levels of unemployment and economic inactivity, high proportions of low or no qualifications, low participation in education or training and limited connectivity with the largest local employment hotspots.

Despite these challenges, a range of opportunities were identified to strengthen the local economies of Rhyl and Prestatyn. The two towns' leisure and tourism facilities have benefitted from recent investments, including a new water park in Rhyl (SC2) and the redevelopment of the Parc Prestatyn retail park and the NOVA leisure centre. Rhyl and Prestatyn also saw expanded employment opportunities with the opening of the North Hoyle and Rhyl Flats offshore wind farms, and are well placed to further develop their marine economy and leverage

natural assets and infrastructure to attract visitors interested in sustainable tourism, leisure and outdoor sports (such as walking and cycling).

The local SME finance environment shows limited dynamism. Neither town saw any equity activity between 2011 and Q2 2023 and the value of lending to local SMEs was only £16.9 million on average in 2022, slightly below (-7%) the levels seen the year before the pandemic (2019). This equates to around £38k of SME lending per million pound of GVA, much lower than the average seen at the UK level (£58k).

Nations and Regions Tracker 2023 Fact Sheet: Wales

Measure	Period	Value	Change on previous year	Share of UK total/ Quotient of UK measure in reference year (see Sources and notes)
Driving sustainable growth - Economic Context				
Smaller business population (0-249 employees)	Start 2022	218,440	5%	4%
Business births	2022 -2023 FY	10,475	-20%	4%
Business deaths	2022 -2023 FY	12,605	-9%	4%
Firms per 10,000 resident adults	Start 2022	839	5%	1,014
High-growth enterprises	2021	395	-10%	4%
Gross Value Added, £m	2021	69,500	8%	3%
Gross Value Added per hour worked, £	2021	32	2%	38
Gross Value Added per head of population, £	2021	22,380	10%	30,443
Number of companies benefiting from British Business Bank interventions	2022-23 FY	389	1%	5%
Number of Recovery Loans offered	Q2 2022 -Q2 2023	268	-61%	4%
Value of Recovery Loans offered, £m	Q2 2022 -Q2 2023	47	-66%	3%
Driving sustainable growth - Finance Demand				
Proportion of SMEs willing to use finance to grow	2022	31%	-7 pp	31%
Proportion of SMEs that view finance as a major obstacle	2022	4%	-2 pp	6%
Proportion of SMEs that anticipate needing finance in the next 12 months	2022	44%	-1 pp	43%
Proportion of SMEs aware of the British Business Bank	2022	18%	4 pp	20%

Measure	Period	Value	Change on previous year	Share of UK total/ Quotient of UK measure in reference year (see Sources and notes)
Driving sustainable growth – Finance Supply				
SME loans and overdrafts approved/ increased (*)	Q3 2022-Q2 2023	2,365	-37%	6%
SME loans and overdrafts approved/ increased, £m (*)	Q3 2022-Q2 2023	321	-37%	3%
Equity deals	2022	70	19%	3%
Equity deals, £m	2022	82	-10%	<1%
Backing Innovation				
Proportion of firms that are innovation-active	2018-2020	44%	9 pp	45%
Equity deals involving spinouts	2022	7	75%	3%
Equity deals involving spinouts, £m	2022	13	14%	1%
UKRI-funded projects starting in 2022, based on the lead research organisation's location	2022	133	-11%	1%
Unlocking Potential				
Proportion of regional SME employment in the top 5 industries by CO2e per £m GVA	Start of 2022	33%	0 pp	26%
Proportion of SMEs that have taken or plan to take energy efficiency measures	2022	80%	na	71%
Number of Start Up Loans offered	2022-23 FY	318	-20%	3%
Value of Start Up Loans offered, £m	2022-23 FY	4	-15%	3%

Sources and notes

- Variables are grouped by their relevance to British Business Bank objectives.
- The asterisks (*) highlight variables for which the figures provided under the column ‘Share of UK total/ Quotient of UK measure in reference year’ only cover Great Britain, due to data comparability/ availability issues.
- Due to rounding, some totals may not correspond with the sum of the separate figures.
- For brevity, the sources and references for the case studies used in these briefing notes have not been reported. These can however be found in the main Nations and Regions Tracker 2023 report.

List of sources underlying the data tables

Variable	Source
Driving sustainable growth - Economic Context	
Smaller business population (0-249 employees)	BEIS Business Population Estimates
Business births	ONS Business Demography, quarterly experimental statistics
Business deaths	ONS Business Demography, quarterly experimental statistics
Firms per 10,000 resident adults	BEIS Business Population Estimates
High-growth enterprises	ONS Business demography
Gross Value Added, £m	ONS Regional gross value added (balanced) by industry
Gross Value Added per hour worked, £	ONS Subregional Productivity
Gross Value Added per head of population, £	ONS Regional gross value added (balanced) per head and income components
Number of companies benefiting from British Business Bank interventions	British Business Bank MI data
Number of Recovery Loans offered	British Business Bank MI data
Value of Recovery Loans offered, £m	British Business Bank MI data
Sustainable Growth - Finance Demand	
Proportion of SMEs willing to use finance to grow	UK Finance/BVA BDRC SME Finance Monitor
Proportion of SMEs that view finance as a major obstacle	UK Finance/BVA BDRC SME Finance Monitor
Proportion of SMEs that anticipate needing finance in the next 12 months	(British Business Bank Business Finance Survey)
Proportion of SMEs aware of the British Business Bank	UK Finance/BVA BDRC SME Finance Monitor

Variable	Source
Sustainable Growth - Finance Supply	
SME loans and overdrafts approved/ increased	UK Finance
SME loans and overdrafts approved/ increased, £m	UK Finance
Equity deals	Beauhurst
Equity deals, £m	Beauhurst
Backing Innovation	
Proportion of firms that are innovation-active	ONS UK Innovation Survey
Equity deals involving spinouts	Beauhurst
Equity deals involving spinouts, £m	Beauhurst
UKRI-funded projects starting in 2022, based on the lead research organisation's location	UKRI Gateway to Research database
Unlocking potential	
Proportion of regional SME employment in the top 5 industries by CO2e per £m GVA	BEIS business population estimates; ONS greenhouse gas emissions intensity by industry
Proportion of SMEs that have taken or plan to take energy efficiency measures	British Business Bank Business Finance Survey
Number of Start Up Loans offered	British Business Bank MI data
Value of Start Up Loans offered, £	British Business Bank MI data



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