

More firms can now benefit from the Future Fund

- companies which have participated in accelerator programmes now eligible for the popular scheme
- more than 320 early-stage, high-growth firms have so far benefitted from £320 million of support through the Fund
- this surpasses the £250 million initial funding made available by the government

Changes to the scheme's eligibility criteria will mean that UK companies who have participated in highly selective accelerator programmes and were required, as part of that programme, to have parent companies outside of the UK will now be able to apply for investment.

To date, more than 320 companies have benefitted from £320 million of Future Fund support. Under the scheme, early-stage, high-growth businesses from a diverse range of sectors can apply for a convertible loan of between £125,000 and £5 million to help them through the Coronavirus outbreak.

The Chancellor of the Exchequer, Rishi Sunak, said:

Our start-ups and innovative firms are one of our great economic strengths. As we begin to bounce back from coronavirus they will help drive our recovery and create new jobs.

This change means that those start-ups who have strived to be the very best, and taken opportunities to grow their business, will be able to benefit from our world-leading Future Fund.

The Business Secretary Alok Sharma said:

As we restart our economy, it is crucial that our innovators and risk-takers get all the support they need to flourish.

Our decision to relax this rule recognises the importance of many of the UK's most cutting-edge start-ups as we bounce back from coronavirus.

Initially, £250 million was made available by the government under the Fund, to be matched by private investors, with the Treasury making clear the amount could be increased if needed.

Due to the popularity of the Fund, more funding has been made available, with around £320 million having now been invested. The scale of the scheme will be kept under review.

Accelerator programmes, such as TechStars or Y-Combinator, give businesses access to finance, mentorship and expert networks.

Participants in accelerator programmes are often required to set up a non-UK parent company in order to participate which means some did not meet the Future Fund criteria of having a UK parent company when it opened for applications in May.

Further information

- The Future Fund is backing high-growth, innovative firms across the country through Covid-19. The scheme has already provided £320.6 million of convertible loans to 320 businesses.
- The change announced today covers accelerator alumni only. The government remains committed to using the Future Fund to support economic activity in the UK.
- Companies will still be required to meet the 'substantive economic presence' tests (that half or more employees are UK-based and/or half or more revenues are from UK sales).