

# New £375 million scheme to drive investment in innovative firms of the future opens for applications

- £375 million Future Fund: Breakthrough opens for applications to help high-growth, R&D intensive companies bring game-changing technologies to market
- The government will co-invest with private investors to help scale-up innovations across UK industries including life sciences and clean technology – driving economy and creating jobs
- Chancellor Rishi Sunak will convene a landmark Treasury Connect conference in London later this year to bring together CEOs of the UK's biggest tech firms and investors.

Under the UK- wide Future Fund: Breakthrough scheme the government will commit £375 million of funding to fast-growing firms looking to raise at least £30 million of investment. To be eligible, businesses must have commitments of 70% of an investment round from private investors with a track record of financing innovative companies – such as venture capitalists.

The scheme will span across the UK's world class industries including life sciences, quantum computing and clean technology and accelerate the deployment of breakthrough innovations that could solve some of society's greatest challenges – from developing life-saving new medicines to technologies that support the UK's transition to net zero. It is part of the government's multibillion-pound investment in research and development to help build a future economy, create skilled jobs and cement the UK's status as a scientific superpower.

In addition, the Chancellor Rishi Sunak today announced that he will host a Treasury Connect tech conference in East London in September to bring together the CEOs and senior leaders of the UK's biggest tech firms and investors.

## **The Chancellor of the Exchequer Rishi Sunak said:**

Our Future Fund: Breakthrough scheme will enable innovative businesses in every corner of the UK to access the finance they need to scale up and bring their transformational technologies to market – all while creating high-skilled jobs and boosting the economy as part of our Plan for Jobs.

Technology and innovation will be at the heart of our future economy which is why we are investing billions in R&D to help cement our status as a world-leader in this field.

Above all, our investment will incentivise collaboration between our most ambitious entrepreneurs and private investors, helping to commercialise breakthrough products such as new medicines and green technologies that could change our lives for the better – all while creating high-skilled jobs that help boost the UK economy.

### **Business Secretary Kwasi Kwarteng said:**

The support we have provided over the past year is not only helping firms to survive the pandemic, but also driving the growth and jobs of the future, making the UK a global innovation powerhouse.

The original Future Fund was a tremendous success in helping cutting-edge firms to get the fuel in the engine they need to really motor forwards, and we are building on that with the fresh Future Fund: Breakthrough scheme.

Due to high research and development costs, breakthrough technology companies typically require more capital over longer time periods than other companies to bring their products to market.

The UK's most innovative companies are key drivers of future growth and it is estimated that 1% growth in these firms could grow the UK economy by £38 billion.

In March 2020, the government introduced the Future Fund which successfully supported the high-growth sector during the pandemic so that its potential was not subdued. This scheme provided more than £1 billion of convertible loans to 1,190 businesses to help them through the pandemic.

The government is supporting innovative companies through the Plan for Growth, which includes the Future Fund: Breakthrough, the forthcoming Innovation Strategy and £14.9 billion of spending on research and development, the highest level for four decades.

### **Further information**

- Future Fund: Breakthrough was announced at Budget 2021 and will be delivered by the government's British Business Bank, via its subsidiary British Patient Capital. The Government has already committed over £1.3bn to a growing portfolio of now over 500 high-growth innovative firms through British Patient Capital

- It will be open for applications on a rolling basis to R&D intensive companies with well- established UK operations
- For more information on eligibility and criteria please see [the British Business Bank](#)
- Future Fund: Breakthrough is separate from the government's Future Fund, now closed to new applications, which was launched in April 2020 to address the immediate funding challenge that innovative, equity backed, UK companies faced due to Covid-19
- Future Fund: Breakthrough will ask lead investors to sign the Treasury's Investing in Women Code, which commits firms to improving female entrepreneurs' access to tools, resources and finance
- During the pandemic, the Chancellor facilitated over £2 billion of investment through the Future Fund to ensure that high-growth firms were not negatively impacted by the pandemic as part of the £350 billion Plan for Jobs
- As announced at the Budget in March, our Innovation Strategy will set out the steps government will take to boost innovation in the UK
- Government spending on R&D in 2021 to 2022 is £14.9 billion, its highest level in four decades, demonstrating progress towards our target to increase total public and private R&D investment to 2.4% of gross domestic product (GDP) by 2027
- We are investing more money than ever before in core research, in line with the announcement at the Spending Review in November 2020 that government will increase investment in core UKRI and National Academy funded research by more than £1 billion by 2023 to 2024
- To bring it all together we're doubling public funding in R&D to £22bn so that UK scientists have access to more funding than ever before.