

# Press release: Government launches new fund to support small business growth

- new fund will help more small businesses adopt tried and tested technologies to unlock £100 billion of untapped benefit to our economy
- The fund forms part of the government's modern Industrial Strategy, building an environment that makes Britain the best place in the world to do business

In a speech to the CBI today (Tuesday 26 June) Small Business Minister Andrew Griffiths will unveil a new £8 million fund to boost the productivity and performance of small businesses in England.

Boosting national productivity and increasing workers' earning power forms a key part of the government's modern [Industrial Strategy](#) and the Business Basics Fund, run by BEIS in partnership with Innovate UK, will help businesses, charities, trade organisations and public sector organisations support small businesses in adopting tried and tested technologies and management techniques.

Once the projects are launched, the government will then work with leading experts to evaluate the effectiveness of each project in boosting productivity, helping to inform future policies.

Research from the CBI suggests that by encouraging more businesses to take advantage of leading technologies, management practices and business support services – such as cloud computing, mobile technology and e-purchasing – the UK economy could receive a £100 billion boost and see a 5% reduction in income inequality.

Small Business Minister Andrew Griffiths said:

Small businesses are the backbone of our economy, with more than 1,000 new businesses starting up every day, and it is vital that we support them to grow through our modern Industrial Strategy.

The Business Basics Fund will test new and innovative ways of supporting small businesses to take advantage of technologies and management practices – giving small business leaders the tools and support they need to continue to thrive.

Matthew Fell, CBI UK Chief Policy Director, said:

Put simply, UK businesses must do more to improve their productivity to get themselves match fit to compete globally in the years ahead. Low uptake of the nuts and bolts technologies of today is a key feature of the productivity puzzle that can, and must, be

tackled.

UK business technology adoption levels are close to the EU average but far behind the front runners, lagging nearly a decade behind the Danes.

The new Industrial Strategy can be the perfect vehicle to get to grips with this missing piece of the jigsaw.

Geoff Mulgan, Chief Executive of innovation foundation Nesta, said:

I welcome the launch of the Business Basics Fund, and the commitment to using experiments. Nesta has advocated and run experiments in business support across the world through our Innovation Growth Lab which has worked with a dozen governments.

With this move, the UK is taking a lead in applying experimental methods to boosting productivity – much the best way of ensuring that in the long run public money goes on programmes that really do work.

The launch of the fund is the latest in a number of new measures introduced by the government to boost business productivity, including a review launched last month on how best to raise business productivity.

The [Business Productivity Review call for evidence](#) is open until 6 July 2018 and the government is encouraging workers, businesses, trade associations and other interested parties to contribute their views to it.

In 2017 [Be the Business](#), an industry-led initiative backed by government, launched to help businesses across the UK benchmark their current level of productivity, access advice and utilise smart management training.

1. Details about the funding available, the application process and further guidance is available from the [Innovation Funding Service](#). There will be a total of £2 million available in this first call under Business Basics Fund.
2. To address the UK's productivity challenge, the government's Industrial Strategy focuses on the 5 foundations of productivity:
  - ideas
  - people
  - infrastructure
  - business environment
  - place

As part of our approach to improving the business environment, the government's recently launched a review of the actions that could be most effective in improving the productivity and growth of small and medium-sized businesses. The [call for evidence](#) closes on 6 July and can be responded to on

GOV.UK .

3. Productivity is frequently defined as output per worker, or alternatively output per hour worked.

4. The UK has a strong business environment upon which we can build:

- 1,100 businesses start every day in Britain and we are ranked as one of the best places in the world to start and grow a business
- we have more than 31,000 Scale Up businesses
- between 2012 and 2016 London attracted more tech investment than Paris, Berlin and Amsterdam combined