

Speech: Launch of the ScaleUp Institute review 2017

Thank you all. It is great to be here. I would like to thank our hosts. And I would like to take the opportunity to acknowledge the work that the [ScaleUp Institute](#) has done.

Irene Graham and Sherry Coutu are tireless advocates of scale up businesses, along with their partner organisations, many of which I can see here today.

The institute undertakes important research, spreads best practice, and provides opportunities for both public and private organisations to come together and share ideas. All of this advances our understanding of how to build an environment where small businesses can become high growth businesses. And I welcome the publication of this review as another step forward for the Institute.

Everyone in this room will know how important it is that we help people start up and grow their own businesses.

High growth businesses are vital to the economy – so the more small businesses that can make that leap from start up, to scale up – the better for our economy. And we continue to implement measures that help to make setting up a business as easy as possible.

We start from a strong position. There were a record 5.5 million private sector businesses at the start of 2016. This is an increase of nearly 100,000 since 2015 and over 1 million since 2010. This is record of success is one of the reasons that we rank third in the OECD for start-ups.

We are determined to continue that success, just as we are determined to support those business which want to scale up. To this end, we have taken serious action since 2010. British Business Bank programmes are supporting almost £3.5 billion of finance to over 56,000 smaller businesses. We have invested an additional £400 million in the British Business Bank to catalyse later stage venture capital investments by the private sector, which will unlock £1 billion of equity funding in later stage venture capital. We will work with investors to further understand the obstacles firms face accessing capital outside London and the South East.

We are supporting more companies to innovate through the UK's R&D Tax Credits scheme. In 2014 to 2015 more than 20,000 companies, including over 18,000 SMEs, claimed nearly £2.45 billion of R&D support. We are working with high growth innovative businesses and new entrants into sectors and markets to help ensure the value these businesses bring is realised.

We want to support businesses to thrive. High growth businesses in particular make a big contribution to growth and productivity. They also create around one third to a half of all net employment growth amongst established

businesses. This is one of the reasons that we want to see more high growth businesses in the UK, but to realise that ambition there is more to do on scale ups.

The OECD ranks the UK as 13th for scale ups, so we must nurture those businesses with the potential to be high growth, create an environment where they can thrive and, importantly, find them and help them at the right time.

Soon, we are going to publish our Modern Industrial Strategy. We are facing tough challenges. Growth has not been even across the UK. Prospects for people and businesses vary too much. We have world-class businesses and sectors – but some are not yet achieving their full potential.

However, great challenges offer great opportunities. Leaving the EU allows us to make fresh choices about how we shape our economy and presents an opportunity to deliver a bold, modern Industrial Strategy. One which builds on our strengths, provides certainty, and stands the test of time, creating a resilient economy ready for the future. Our strategy will enable the UK to work more productively and boost the earning power of people, businesses, places and the nation as a whole.

Key to all of this is creating an environment in which business can thrive. The UK is already a great place to start and grow a business but we want to build on this. That's why it is one of the pillars of our Industrial Strategy. We must ensure that businesses across the UK can access the finance and skills they need to grow and we must create the right conditions for companies to invest for the long term.

As part of this, we want to help promising, growing companies to scale up. As the government's Scale-Up Champion, I have set up a Scale-Up Task Force to look at the issues preventing businesses from taking action to grow and why those that do are not always achieving their full growth potential, whether in scale or speed.

I am delighted to see that some of the members of the Task Force are here today. I would like to thank them for the energy, enthusiasm and innovative thinking that they have brought to our discussions so far. It has been a privilege to work with this group and it has given me a renewed appreciation of just how challenging it can be for people who want to transform their businesses.

The next step will be the publication of Industrial Strategy white paper. A lot of thinking has gone into the development of this paper and not just the work of the Scale-Up Taskforce; people across the country have responded to the [green paper consultation](#).

There is also the [Patient Capital Review](#), considering the barriers to accessing long term finance, and the Entrepreneurship Review into how we can support businesses to start well and grow. All this work will feed into the white paper, which will reaffirm our commitment to driving business growth and productivity.

We are already a start-up nation; now, the opportunity is to become a scale-up nation. Let us continue to press on with this agenda. There is a wealth of ideas and support in this room.

Thank you once again for inviting me and for listening to me. And I congratulate the ScaleUp Institute for the publication of this review.