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Scottish Firms Secure 5% of Funding from UK Growth Guarantee Scheme

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Small businesses in Scotland have secured £127 million in funding through the United Kingdom's Growth Guarantee Scheme, accounting for 5% of the total lending distributed by the British Business Bank to date.

The figures were released as the British Business Bank celebrated surpassing £2.5 billion in total loans under the scheme, which was introduced on July 1, 2024, to boost access to finance for small and medium-sized enterprises (SMEs) across the country. So far, the initiative has supported 766 loans in Scotland.

The Growth Guarantee Scheme provides lending of up to £2 million per business through a network of accredited lenders, including banks and alternative finance providers. Products available under the scheme include term loans, overdrafts, asset finance, and invoice and asset-based lending. The programme offers lenders a 70% guarantee from the government on each facility, while borrowers remain fully responsible for the debt.

Across the U.K., 69% of the total lending has gone to firms located outside London and the South East, indicating a wider geographical reach than many centrally-run initiatives. The scheme has also spanned a broad range of sectors, with more than £368 million funnelled into manufacturing, £366 million into wholesale and retail, and over £234 million towards construction.

Commenting on the milestone, U.K. Minister for Small Business Gareth Thomas said: “As part of our plan for change, we are committed to breaking down the barriers SMEs face when starting and scaling up, to create jobs and further boost the economy. This is an important milestone for the Growth Guarantee Scheme, which plays a key role in helping us achieve this by providing vital access to finance for smaller businesses right across the UK.”

The bank’s Chief Banking Officer, Reinald de Monchy, echoed these sentiments, highlighting the variety of lenders and firms benefitting from the scheme: “This milestone is a demonstration of the important work done by the 50-plus delivery partners who have signed up to the Growth Guarantee Scheme since its launch in July 2024. In particular, it is fantastic to see how much lending has been provided to firms under five years old, and the diversity of sectors supported.”

The Growth Guarantee Scheme was launched to replace previous pandemic-era loan programmes, aiming to support business growth in a more stable economic environment. The initiative has been positioned as a long-term support mechanism, with funding now committed through to March 2030, following the latest government Spending Review.